

## Rabobank Nederland

### Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

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

### Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch (Australian Business Number 70 003 917 655)

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

### Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch (Singapore Company Registration Number S86FC3634A)

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

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

#### Due from seven days to perpetuity

Under the Global Medium-Term Note Programme described in this Base Prospectus (the "Programme"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) ("Rabobank Nederland", the "Bank" or the "Issuer") may, through its head office or through its branches listed above, subject to compliance with all relevant laws, regulations and directives, from time to time, issue Global Medium-Term Notes (the "Notes"). References herein to the "Issuer" shall mean Rabobank Nederland, whether issuing Notes through its head office or through its branches listed above.

The branches through which Rabobank Nederland may issue Notes are Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch ("Rabobank Australia Branch") and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch ("Rabobank Singapore Branch"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 160,000,000,000 (or the equivalent in other currencies). The Programme is, and Notes issued under it may be, denominated in euro, which means the lawful currency of the member states of the European Union ("Member States") that have adopted the single currency pursuant to the Treaty on the Functioning of the European Union, as amended.

Application has been made to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or the "AFM") in its capacity as competent authority under Dutch securities laws (as defined below) to approve this Base Prospectus in connection with the issue by the Issuer of Fixed Rate Notes, Floating Rate Notes, Inverse Floating Rate Notes, Variable Rate Notes, CMS Linked Notes, Range Accrual Notes and Zero Coupon Notes which are:

- (a) offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC, as amended (the "Prospectus Directive"), whether or not such Notes are listed and admitted to trading on any market; or
- (b) either: (i) admitted to trading on Euronext Amsterdam N.V.'s NYSE Euronext in Amsterdam ("Euronext Amsterdam"); (ii) admitted to the official list of the Luxembourg Stock Exchange (the "Official List") and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "Luxembourg Stock Exchange"); or (iii) admitted to trading on another regulated market as defined under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (the "Markets in Financial Instruments Directive"), such Notes hereinafter referred to as the "PD Notes". PD Notes may be issued in any denominations as agreed between the Issuer and the relevant Dealer(s), and any PD Notes which have a denomination of less than EUR 100,000 (or its equivalent in any other currency) are referred to hereinafter as "Non-Exempt PD Notes".

This Base Prospectus is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and the Dutch Financial Supervision Act (Wet op het financieel toezicht) and regulations thereunder (together "Dutch securities laws") and has been approved by the AFM in its capacity as competent authority under Dutch securities laws, in accordance with the provisions of the Prospectus Directive and Dutch securities laws on 8 May 2013, in relation to PD Notes only.

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

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

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

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

Notes of each Tranche of each Series to be issued in registered form ("Registered Notes") and which are sold in an "offshore transaction" within the meaning of Regulation S ("Unrestricted Notes") under the U.S. Securities Act of 1933 (the "Securities Act") will initially be represented by a permanent registered global certificate (each, an "Unrestricted Global Certificate"), without interest coupons, which may be deposited on the issue date (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg, The Depository Trust Company ("DTC") or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

Registered Notes issued by Rabobank Nederland which are sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A ("Rule 144A") under the Securities Act ("Restricted Notes") will initially be represented by a permanent registered global certificate (each, a "Restricted Global Certificate" and, together with the "Unrestricted Global Certificate", the "Global Certificates"), without interest coupons, which may be deposited on the issue date either with (a) the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg or (b) a custodian for, and registered in the name of Cede & Co, as nominee for, DTC.

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

Senior long-term Notes issued under the Programme by Rabobank Nederland and Rabobank Singapore Branch are expected to be rated AA by Fitch Ratings Limited ("Fitch") and Senior long term Notes issued under the Programme by Rabobank Australia Branch are expected to be rated AA by Fitch Australia Pty Ltd. ("Fitch Australia"). Senior unsecured Notes issued under the programme are expected to be rated Aa2 by Moody's Investors Service Ltd. ("Moody's") and Senior Notes with a maturity of one year or more are expected to be rated AA- by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"). Each of Fitch, Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "CRA Regulation"). Fitch Australia is not established in the European Union but the rating it has given to the Senior long-term Notes to be issued under the programme is endorsed by Fitch, which is established in the European Union and registered under the CRA Regulation. In addition, this Base Prospectus contains or refers to certain credit ratings issued by DBRS Ratings Limited ("DBRS"). DBRS is established in the European Union and is registered under the CRA Regulation. A list of credit rating agencies registered under the CRA Regulation is published by the European Securities and Markets Authority on its website.

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

Factors which may affect the ability of the Issuer to fulfil its obligations under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out on pages 21 to 37.

This Base Prospectus supersedes and replaces the Base Prospectus dated 9 May 2012.



Rabobank

Arranger for the Programme  
Credit Suisse

Dealers

Barclays  
BofA Merrill Lynch  
Credit Suisse  
Goldman Sachs International  
J.P. Morgan  
Morgan Stanley  
Rabobank International  
TD Securities  
UBS Investment Bank

BNP PARIBAS  
Citigroup  
Daiwa Capital Markets Europe  
HSBC  
Mizuho Securities  
Nomura  
RBC Capital Markets  
The Royal Bank of Scotland

The date of this Base Prospectus is 8 May 2013

This Base Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) in the circumstances described under "Public Offers of Non-Exempt PD Notes in the European Economic Area" below. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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

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

In connection with the issue of any tranche of a Series of Notes (a "Tranche"), one or more relevant Dealers (in such capacity, the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising

Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

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

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and (in the case of Restricted Notes issued by Rabobank Nederland) within the United States to "qualified institutional buyers" in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus or any Final Terms or any other offering material relating to the Notes, see "Plan of Distribution" and "Transfer Restrictions".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), 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 Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

Rabobank Nederland has been granted an authority to carry on a banking business in Australia pursuant to section 9 of the Banking Act 1959 (Cth) ("Banking Act") and is an authorised deposit-taking institution ("ADI") within the meaning of the Banking Act. Notes issued by Rabobank Nederland (including where it acts as Issuer through its Australian Branch) are not covered by the depositor protection provisions contained in Division 2 of Part II of the Banking Act.

Section 11F of the Banking Act provides that, if a foreign ADI, such as Rabobank Nederland (including where it acts as Issuer through its Australian Branch or its Singapore Branch) (whether in or outside Australia), suspends payment or is unable to meet its obligations, the assets of the foreign ADI in Australia are to be available to meet the foreign ADI's liabilities in Australia in priority to all other liabilities of the foreign ADI. Further, section 86 of the Reserve Bank Act 1959 (Cth) provides that debts due by an ADI to the Reserve Bank of Australia shall, in a winding-up of the ADI, have priority over all other debts of the ADI. Other laws in Australia and other jurisdictions will also apply to the ranking of debts and other liabilities in a winding-up of Rabobank Nederland. Rabobank Nederland does not make any representations as to whether the Notes, or any of them, would constitute liabilities in Australia, under such statutory provisions.

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

Unless the context otherwise requires, references in this Base Prospectus to “Rabobank Nederland”, the “Bank” or the “Issuer” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and references to “Rabobank Group” or “Rabobank” are to Rabobank Nederland and its members, subsidiaries and affiliates. References herein to the “Issuer” shall mean Rabobank Nederland, whether issuing Notes through its head office or through Rabobank Australia Branch or Rabobank Singapore Branch.

Unless otherwise specified or the context otherwise requires, references to “U.S.\$”, “USD” and “U.S. Dollars” are to the lawful currency of the United States of America, to “AUD” and “Australian Dollars” are to the lawful currency of Australia, to “NZD” and “New Zealand Dollars” are to the lawful currency of New Zealand, to “euro”, “Euro”, “EUR” and “€” are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the Functioning of the European Union, to “Sterling” or “£” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland, to “¥”, “JPY” and “yen” are to the lawful currency of Japan and to “Renminbi”, “RMB” and “CNY” are to the lawful currency of the PRC.

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

Your attention is drawn to the important information on pages 46 to 48.

## TABLE OF CONTENTS

|  | Page |
|--|------|
| SUMMARY OF THE PROGRAMME RELATING TO PD NOTES .....                                | 7    |
| RISK FACTORS.....  | 21   |
| PUBLIC OFFERS OF NON-EXEMPT PD NOTES IN THE EUROPEAN ECONOMIC AREA.....            | 38   |
| DOCUMENTS INCORPORATED BY REFERENCE .....  | 44   |
| SUPPLEMENTARY PROSPECTUS.....  | 45   |
| IMPORTANT INFORMATION.....   | 46   |
| GENERAL DESCRIPTION OF THE PROGRAMME .....   | 49   |
| TERMS AND CONDITIONS OF THE NOTES .....  | 58   |
| 1    Definitions .....   | 59   |
| 2    Form, Denomination and Title.....   | 76   |
| 3    Exchanges of Exchangeable Bearer Notes and transfers of Registered Notes..... | 77   |
| 4    Status of Notes.....  | 79   |
| 5    Negative pledge .....   | 79   |
| 6    Interest and other calculations .....   | 79   |
| 7    Redemption, Purchase and Options .....  | 92   |
| 8    Provisions Applicable to Equity Linked Notes .....                            | 99   |
| 9    Provisions applicable to Index Linked Notes.....                              | 103  |
| 10    Provisions applicable to FX Linked Notes .....                               | 106  |
| 11    Payments and Talons .....  | 122  |
| 12    Taxation .....   | 130  |
| 13    Prescription .....   | 131  |
| 14    Events of Default.....   | 131  |
| 15    Meeting of Noteholders, modifications and substitutions .....                | 132  |
| 16    Replacement of Notes, Certificates, Receipts, Coupons and Talons .....       | 135  |
| 17    Further issues .....   | 135  |
| 18    Notices .....  | 135  |
| 19    Governing Law and Jurisdiction .....   | 136  |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM.....              | 138  |
| USE OF PROCEEDS.....   | 147  |
| CLEARING AND SETTLEMENT .....  | 148  |

|  |     |
|--|-----|
| DESCRIPTION OF BUSINESS OF RABOBANK GROUP .....  | 152 |
| RABOBANK GROUP STRUCTURE .....   | 164 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS..... | 167 |
| SELECTED FINANCIAL INFORMATION .....   | 196 |
| RISK MANAGEMENT .....  | 200 |
| GOVERNANCE OF RABOBANK GROUP .....   | 209 |
| REGULATION OF RABOBANK GROUP.....  | 223 |
| CAPITALISATION OF RABOBANK GROUP.....  | 230 |
| RABOBANK AUSTRALIA BRANCH.....   | 231 |
| RABOBANK SINGAPORE BRANCH.....   | 232 |
| TAXATION .....   | 233 |
| EU Savings Directive.....  | 233 |
| Taxation in the Netherlands .....  | 233 |
| Taxation in Australia.....   | 235 |
| Taxation in Singapore .....  | 240 |
| Taxation in Luxembourg.....  | 245 |
| Taxation in the United States .....  | 246 |
| Taxation in Austria.....   | 259 |
| Taxation in Belgium.....   | 262 |
| Taxation in Denmark .....  | 264 |
| Taxation in Finland .....  | 266 |
| Taxation in France.....  | 266 |
| Taxation in Germany .....  | 267 |
| Taxation in Ireland.....   | 267 |
| Taxation in Italy .....  | 268 |
| Taxation in Norway.....  | 274 |
| <i>Taxation in Portugal .....</i>  | 275 |
| Taxation in Sweden.....  | 277 |
| Taxation in the United Kingdom .....   | 278 |
| TRANSFER RESTRICTIONS .....  | 280 |
| PLAN OF DISTRIBUTION .....   | 282 |
| FORM OF FINAL TERMS WITH RESPECT TO PD NOTES .....   | 295 |
| FORM OF FINAL TERMS WITH RESPECT TO EXEMPT NOTES .....                                     | 333 |
| GENERAL INFORMATION.....   | 365 |

## SUMMARY OF THE PROGRAMME RELATING TO PD NOTES

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary relating to the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the Notes and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary and marked as “Not applicable”.

| <b>Section A – Introduction and warnings</b> |   |
|--|---|
| <b>A.1</b>                                   | <p>This summary must be read as an introduction to this Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference. Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff may, under the national legislation of Member States of the European Economic Area where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>   |
| <b>A.2</b>                                   | <p>In connection with any Public Offer of Non-Exempt PD Notes, the Issuer accepts responsibility, in a Public Offer Jurisdiction, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an “<b>Investor</b>”) to whom an offer of any Non-Exempt PD Notes is made by any financial intermediary to whom the Issuer has given its consent to use the Base Prospectus (an “<b>Authorised Offeror</b>”), where the offer is made in compliance with all conditions attached to the giving of the consent. Such consent and conditions are described below under “Consent” and “Common conditions to consent”.</p> <p><b>Consent:</b></p> <p>Subject to the conditions set out below under “Common conditions to consent”:</p> <p>(A) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction by the relevant Dealer and by:</p> <ul style="list-style-type: none"> <li>(i) any financial intermediary named as an Initial Authorised Offeror in the relevant Final Terms; and</li> <li>(ii) any financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the</li> </ul> |

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|  |  | <p>Issuer's website (<a href="http://www.rabobank.com">www.rabobank.com</a>) and identified as an Authorised Offeror in respect of the relevant Public Offer; and</p> <p>(B) if (and only if) Part B of the relevant Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction by any financial intermediary which satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>(i) it is authorised to make such offers under the applicable legislation implementing the Markets in Financial Instruments Directive; and</li> <li>(ii) it accepts such offer by publishing on its website a statement that it agrees to use the Base Prospectus in accordance with the Authorised Offeror Terms and subject to the conditions to such consent.</li> </ul> <p><b>Common conditions to consent:</b></p> <p>The conditions to the Issuer's consent are (in addition to the conditions described in paragraph (B) above if Part B of the relevant Final Terms specifies "General Consent" as "Applicable") that such consent:</p> <ul style="list-style-type: none"> <li>(a) is only valid in respect of the relevant Tranche of Non-Exempt PD Notes;</li> <li>(b) is only valid during the Offer Period specified in the relevant Final Terms; and</li> <li>(c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Non-Exempt PD Notes in one or more of the Public Offer Jurisdictions, as specified in the relevant Final Terms.</li> </ul> <p>An investor intending to acquire or acquiring Notes in a Public Offer from an Authorised Offeror other than the Issuer will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations, expenses and settlement arrangements.</p> <p><b>Each investor must look to the relevant Authorised Offeror at the time of any such Public Offer for the provision of information regarding the terms and conditions of the Public Offer and the Authorised Offeror will be solely responsible for such information.</b></p> |
|--|--|---|

| Section B – Issuer |   |  |
|--------------------|---|--|
| B.1                | <b>The legal and commercial name of the Issuer:</b> | <p>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), including issuing through:</p> <p>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch</p> <p>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch</p> |

|   |   | The commercial name of the Issuer is "Rabobank".  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
|---|---|---|--|-------------------------------|--|--|-------------|-------------|--|----------------------|--|---------------------------------|--------|--------|----------------------------|--------|--------|-------------------------------|-------|-------|---|-------|-------|--------------------------------------|--------|--------|--------------------------|---------|---------|-------------------------------------|--------|--------|
| <b>B.2</b>  | <b>The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:</b> | The Issuer has its statutory seat in Amsterdam, is a cooperative entity ( <i>coöperatie</i> ) and is registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands under number 30046259. The Issuer operates under the laws of the Netherlands.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| <b>B.4b</b>   | <b>A description of any known trends affecting the Issuer and the industries in which it operates:</b>                              | Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. A decline in the stock markets could adversely affect Rabobank Group's results of operations and its financial assets.<br><br>The Issuer expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in 2013, with a corresponding impact on Rabobank Group's results.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| <b>B.5</b>  | <b>Description of the Issuer's Group and the Issuer's position within the Group:</b>  | Rabobank Group is an international financial services provider, operating on the basis of cooperative principles. Rabobank Group is comprised of the Issuer as central institution, its members, being the local Rabobanks in the Netherlands and its subsidiaries and participations in the Netherlands and abroad.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| <b>B.9</b>  | <b>Profit forecast or estimate:</b>   | Not Applicable. The Issuer has not made any public profit forecasts or profit estimates.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| <b>B.10</b>   | <b>Qualifications in the Auditors' report:</b>  | Not Applicable. The audit reports on the Issuer's audited financial statements for the years ended 31 December 2011 and 31 December 2012 are unqualified.   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| <b>B.12</b>   | <b>Selected Financial Information:</b>  | <p>The following summary financial data is derived from, is qualified by reference to, and should be read in conjunction with, Rabobank Group's audited consolidated financial statements as at, and for the years ended, 31 December 2011 and 2012.</p> <p><b><i>Consolidated statement of financial position:</i></b></p> <table> <thead> <tr> <th></th> <th colspan="2"><b>Year ended 31 December</b></th> </tr> <tr> <th></th> <th><b>2012</b></th> <th><b>2011</b></th> </tr> <tr> <th></th> <th colspan="2"><i>(EUR million)</i></th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents .....</td> <td>68,103</td> <td>70,430</td> </tr> <tr> <td>Due from other banks .....</td> <td>35,386</td> <td>25,221</td> </tr> <tr> <td>Trading financial assets.....</td> <td>6,387</td> <td>8,112</td> </tr> <tr> <td>Other financial assets at fair value through profit or loss .....</td> <td>5,911</td> <td>7,015</td> </tr> <tr> <td>Derivative financial instruments....</td> <td>65,423</td> <td>58,973</td> </tr> <tr> <td>Loans to customers .....</td> <td>485,299</td> <td>468,085</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td>50,425</td> <td>51,930</td> </tr> </tbody> </table> |  | <b>Year ended 31 December</b> |  |  | <b>2012</b> | <b>2011</b> |  | <i>(EUR million)</i> |  | Cash and cash equivalents ..... | 68,103 | 70,430 | Due from other banks ..... | 35,386 | 25,221 | Trading financial assets..... | 6,387 | 8,112 | Other financial assets at fair value through profit or loss ..... | 5,911 | 7,015 | Derivative financial instruments.... | 65,423 | 58,973 | Loans to customers ..... | 485,299 | 468,085 | Available-for-sale financial assets | 50,425 | 51,930 |
|   | <b>Year ended 31 December</b>   |   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
|   | <b>2012</b>   | <b>2011</b>   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
|   | <i>(EUR million)</i>  |   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Cash and cash equivalents .....                                   | 68,103  | 70,430  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Due from other banks .....  | 35,386  | 25,221  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Trading financial assets.....                                     | 6,387   | 8,112   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Other financial assets at fair value through profit or loss ..... | 5,911   | 7,015   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Derivative financial instruments....                              | 65,423  | 58,973  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Loans to customers .....  | 485,299   | 468,085   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |
| Available-for-sale financial assets                               | 50,425  | 51,930  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                            |        |        |                               |       |       |   |       |       |                                      |        |        |                          |         |         |                                     |        |        |

|                                |   |                               |                |
|--------------------------------|---|-------------------------------|----------------|
|                                | Held-to-maturity financial assets ..                                      | 0                             | 109            |
|                                | Investments in associates .....   | 3,649                         | 3,340          |
|                                | Intangible assets.....  | 2,343                         | 2,802          |
|                                | Property and equipment .....  | 6,500                         | 6,132          |
|                                | Investment properties .....   | 1,489                         | 784            |
|                                | Current tax assets .....  | 597                           | 571            |
|                                | Deferred tax assets .....   | 621                           | 995            |
|                                | Other assets .....  | 11,939                        | 12,210         |
|                                | Non-current assets held for sale<br>and discontinued operations.....      | 8,338                         | 14,956         |
|                                | <b>Total assets</b> .....   | <b>752,410</b>                | <b>731,665</b> |
| <br><b><i>Liabilities:</i></b> |   |                               |                |
|                                |   | <b>As at 31 December</b>      |                |
|                                |   | <b>2012</b>                   | <b>2011</b>    |
|                                |   | <i>(EUR million)</i>          |                |
|                                | Due to other banks .....  | 27,059                        | 26,259         |
|                                | Due to customers .....  | 334,271                       | 329,892        |
|                                | Debt securities in issue.....   | 223,336                       | 213,441        |
|                                | Derivative financial instruments<br>and other trade liabilities.....      | 74,800                        | 64,931         |
|                                | Other debts.....  | 9,950                         | 8,422          |
|                                | Other financial liabilities at fair<br>value through profit or loss ..... | 24,091                        | 25,889         |
|                                | Provisions .....  | 752                           | 765            |
|                                | Current tax liabilities .....   | 205                           | 324            |
|                                | Deferred tax liabilities .....  | 696                           | 893            |
|                                | Subordinated debt .....   | 5,407                         | 2,413          |
|                                | Liabilities held for sale .....   | 7,216                         | 13,435         |
|                                | <b>Total liabilities</b>  | <b>707,783</b>                | <b>686,664</b> |
| <br><b><i>Equity:</i></b>      |   |                               |                |
|                                |   | <b>Year ended 31 December</b> |                |
|                                |   | <b>2012</b>                   | <b>2011</b>    |
|                                |   | <i>(EUR million)</i>          |                |
|                                | Equity of Rabobank Nederland<br>and local Rabobanks .....                 | 27,858                        | 26,500         |
|                                | Equity instruments issued directly  |                               |                |

|  |   |                      |                |
|--|---|----------------------|----------------|
|  | Rabobank Member Certificates ....   | 6,672                | 6,614          |
|  | Capital Securities.....   | 7,114                | 7,645          |
|  |   | 41,644               | 40,759         |
| <b>Equity instruments issued by<br/>subsidiaries</b> |   |                      |                |
|  | Capital Securities.....   | 236                  | 167            |
|  | Trust Preferred Securities III to VI  | 1,340                | 1,399          |
|  |   | 1,576                | 1,566          |
|  | Other non-controlling interests .....   | 1,407                | 2,676          |
|  | Total equity .....  | 44,627               | 45,001         |
|  | <b>Total equity and liabilities.....</b>  | <b>752,410</b>       | <b>731,665</b> |
| <br><b>Consolidated statement of income:</b>         |   |                      |                |
| <b>As at 31 December</b>                             |   |                      |                |
|  |   | <b>2012</b>          | <b>2011</b>    |
|  |   | (restated)           |                |
|  |   | <i>(EUR million)</i> |                |
|  | Interest income.....  | 21,702               | 21,299         |
|  | Interest expense .....  | 12,605               | 12,125         |
|  | <b>Interest.....</b>  | <b>9,097</b>         | <b>9,174</b>   |
|  | Commission income .....   | 2,553                | 2,726          |
|  | Commission expense .....  | 347                  | 365            |
|  | <b>Fees and commission.....</b>   | <b>2,206</b>         | <b>2,361</b>   |
|  | Income from associates.....   | 255                  | (20)           |
|  | Net income from financial assets<br>and liabilities at fair value through<br>profit or loss ..... | 823                  | 657            |
|  | Gains / (losses) on available-for-<br>sale financial assets .....                                 | 114                  | (174)          |
|  | Other income .....  | 957                  | 708            |
|  | <b>Income .....</b>   | <b>13,452</b>        | <b>12,706</b>  |
|  | Staff costs.....  | 5,325                | 4,862          |
|  | Other administrative expenses .....   | 2,979                | 2,850          |
|  | Depreciation and amortisation.....  | 527                  | 540            |
|  | <b>Operating expenses .....</b>   | <b>8,831</b>         | <b>8,252</b>   |
|  | Value adjustments .....   | 2,350                | 1,606          |
|  | Bank tax  | 196                  | -              |
|  | Operating profit before taxation ....   | 2,075                | 2,848          |
|  | Income tax expense .....  | 160                  | 355            |

|             |  |   |              |              |
|-------------|--|---|--------------|--------------|
|             |  | Net profit from continuing operations.....  | 1,915        | 2,493        |
|             |  | Net profit from discontinued operations.....  | 197          | 134          |
|             |  | <b>Net profit.....</b>  | <b>2,112</b> | <b>2,627</b> |
|             |  | Of which attributable to Rabobank Nederland and local Rabobanks .....   | 897          | 1,549        |
|             |  | Of which attributable to holders of Rabobank Member Certificates ....   | 328          | 315          |
|             |  | Of which attributable to Capital Securities.....  | 717          | 612          |
|             |  | Of which attributable to Trust Preferred Securities III to VI .....   | 75           | 73           |
|             |  | Of which attributable to non-controlling interests.....   | 95           | 78           |
|             |  | <b>Net profit for the year.....</b>   | <b>2,112</b> | <b>2,627</b> |
|             |  | <b><i>Material/significant change:</i></b>  |              |              |
|             |  | There has been no significant change in the financial or trading position of the Issuer or of Rabobank Group, and there has been no material adverse change in the financial position or prospects of the Issuer or of Rabobank Group, since 31 December 2012.  |              |              |
| <b>B.13</b> | <b>Recent material events particular to the Issuer's solvency:</b>                   | Not Applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.   |              |              |
| <b>B.14</b> | <b>Extent to which the Issuer is dependent upon other entities within the Group:</b> | The Issuer is a cooperative with members. Its members are local cooperative Rabobanks who are represented in the Central Delegates Assembly and the General Meeting of Rabobank Nederland. The Central Delegates Assembly has a significant influence on the views adopted in Rabobank Group. The General Meeting of Rabobank Nederland is the body through which all local Rabobanks can exercise direct control. The General Meeting of Rabobank Nederland deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations and the appointment of members of the Supervisory Board. The financial performance of the Issuer is dependent upon the performance of the independent local Rabobanks and the subsidiaries within Rabobank Group. |              |              |
| <b>B.15</b> | <b>Principal activities of the Issuer:</b>   | Rabobank Group's operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri.   |              |              |

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| <b>B.16</b> | <b>Extent to which the Issuer is directly or indirectly owned or controlled:</b> | The Issuer is not directly owned or controlled.  |
| <b>B.17</b> | <b>Credit ratings assigned to the Issuer or its debt securities:</b>             | Senior long-term Notes issued under the Programme by Rabobank Nederland and Rabobank Singapore Branch are expected to be rated AA by Fitch and Senior long-term Notes issued under the Programme by Rabobank Australia Branch are expected to be rated AA by Fitch Australia. Senior unsecured Notes issued under the programme are expected to be rated Aa2 by Moody's and Senior Notes with a maturity of one year or more are expected to be rated AA- by Standard & Poor's. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Issuer, the Programme or Notes already issued under the Programme. |
|             |  | A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.  |

| <b>Section C – Securities</b> |                                     |   |
|-------------------------------|-------------------------------------|---|
| <b>C.1</b>                    | <b>Type and class of the Notes:</b> | <p>The Notes described in this summary are debt securities which may be issued under the EUR 160,000,000,000 Programme.</p> <p>The Notes will be issued in series (each, a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue date and first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “<b>Tranche</b>”) on the same or different issue dates. The specific terms of each Tranche will be completed in the final terms (the “<b>Final Terms</b>”).</p> <p>The Notes may be issued in bearer form (“<b>Bearer Notes</b>”) exchangeable for Registered Notes (“<b>Exchangeable Bearer Notes</b>”) or in registered form only (“<b>Registered Notes</b>”). Registered Notes may not be exchanged for Bearer Notes and Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.</p> <p>Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in Element C.5 below). Otherwise, such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by certificates (the “<b>Certificates</b>”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “<b>Global Certificates</b>”. Global Certificates</p> |

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|     |  | will be registered in the name of a nominee for one or more clearing systems.  |
| C.2 | <b>Currencies:</b>   | Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).  |
| C.5 | <b>A description of any restrictions on the free transferability of the Notes:</b> | <p>The Issuer and the Dealers have agreed certain customary restrictions on offers, sale and delivery of Notes and of the distribution of offering material in the United States, the European Economic Area, the United Kingdom, the Netherlands, Australia, Singapore, the Republic of France, Japan, Hong Kong, United Arab Emirates, Dubai International Financial Centre, Qatar, the Republic of Italy, Austria, Brazil, Israel, Monaco, Taiwan, United Mexican States, the Republic of Turkey, the Republic of South Africa, Russia, Germany, New Zealand, Jordan, Switzerland, Ukraine, Canada, Kingdom of Sweden, People's Republic of China, Norway, San Marino, Argentina, Chile, Finland, Spain, Guernsey and South Korea.</p> <p>For the purposes of Regulation S, Category 2 selling restrictions shall apply.</p> <p>In the case of Bearer Notes offered to non-U.S. persons and certain eligible U.S. persons, such Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “<b>D Rules</b>”) unless (i) the relevant Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “<b>C Rules</b>”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable. In the case of a distribution under Rule 144A, Notes will be issued in registered form, as defined in U.S. Temp. Treas. Reg. §5f.103-1(c).</p> |
| C.8 | <b>Description of the rights attached to the Notes:</b>                            | <p><b>Ranking (status):</b></p> <p>The Notes and the Receipts and Coupons relating to them will constitute unsubordinated and (subject to the negative pledge described below) unsecured obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and with all other present or future (subject as aforesaid) unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may be provided by applicable law).</p> <p><b>Negative pledge:</b></p> <p>So long as any of the Notes, Receipts or Coupons remain outstanding, the Issuer has undertaken not to secure any of its other indebtedness, whether present or future, which is both (a) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (b) not Domestic Indebtedness.</p> <p><b>“Domestic Indebtedness”</b> means the indebtedness as referred to under (a) above of the Issuer which is denominated or payable (at the</p>  |

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|  |  | <p>option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside the Netherlands.</p> <p><b>Taxation:</b></p> <p>All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands (in the case of Rabobank Nederland, Rabobank Australia Branch and Rabobank Singapore Branch), Australia (in the case of Rabobank Australia Branch) and Singapore (in the case of Rabobank Singapore Branch), or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall, save in certain limited circumstances, pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required.</p> <p><b>Events of Default:</b></p> <p>The terms of the Notes contain the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Notes;</li> <li>(b) the Issuer fails to observe or perform any of its other obligations under the Notes and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;</li> <li>(c) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer, provided that, in each case, no event of default shall be deemed to have occurred if the Issuer shall contest its liability in good faith or shall have been ordered not to make such payment by a competent court;</li> <li>(d) 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 Noteholders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>), as modified or re-enacted from time to time, of the Netherlands in respect of Rabobank Nederland, Rabobank Australia Branch or Rabobank Singapore Branch;</li> <li>(e) the Issuer compromises with its creditors generally or such</li> </ul> |
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|-----|---|---|
|     |   | <p>measures are officially decreed; and</p> <p>(f) the Issuer shall cease to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).</p> <p><b>Meetings:</b></p> <p>Meetings of Noteholders may be convened to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Notes including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.</p> <p><b>Governing law:</b></p> <p>The Notes, the Receipts, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, the laws of the Netherlands.</p>  |
| C.9 | <b>Interest, maturity and redemption provisions, yield and representative of the Noteholders:</b> | <p><b>Interest:</b></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate. In each case, the interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer at the time of issue of the Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms. In addition, the interest rate and yield in respect of Notes bearing interest at a fixed rate will also be so agreed, specified and summarised.</p> <p>Floating rates of interest (including inverse floating rates of interest and those linked to a CMS rate) will be calculated by reference to one or more reference rates (such as, but not limited to, LIBOR or EURIBOR). The reference rates and the manner in which the floating rate of interest will be calculated using the reference rate (including any margin over or below the reference rates) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p>Interest may also be calculated by reference to a specified range of interest rates set out in the applicable Final Terms on the basis of one or more formulae specified in the Conditions. Notes which do not bear any interest will be offered and sold at a discount to their nominal amount. The terms applicable to each Series of such Notes will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p><b>Maturities:</b></p> <p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have maturity between seven days and perpetuity, as</p> |

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|             |   | <p>agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p>Unless redeemed or purchased and cancelled earlier, the Issuer will redeem the Notes on the relevant maturity date at a percentage of their nominal amount. Such percentage will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p><b><i>Early redemption:</i></b></p> <p>The Issuer may elect to redeem the Notes prior to the maturity date (i) in certain circumstances for tax reasons or (ii) where it determines in good faith that the performance of its obligations under the Notes or that any arrangements made to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.</p> <p>In addition, the Notes may be redeemed prior to their maturity date in certain circumstances, including pursuant to an Issuer call option, an investor put option or an Issuer obligatory redemption.</p> <p>The terms under which Notes may be redeemed early will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes, specified in the applicable Final Terms and summarised in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p><b><i>Representative of holders:</i></b></p> <p>Not Applicable.</p> <p><b><i>Fiscal Agent:</i></b></p> <p>Deutsche Bank AG, London Branch</p> |
| <b>C.10</b> | <b>Derivative component in interest payments:</b> | Not Applicable. PD Notes issued under the Programme do not contain any derivative components.   |
| <b>C.11</b> | <b>Listing and admission to trading:</b>          | Notes may be listed on Euronext Amsterdam, on the regulated market of the Luxembourg Stock Exchange or may be issued on an unlisted basis.  |

| <b>Section D – Summary Risk Factors</b> |  |  |
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| <b>D.2</b>                              | <b>Key information on the key risks that are specific to the Issuer:</b> | In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and |

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|     |   | <p>certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.</p> <p>These factors include:</p> <ul style="list-style-type: none"> <li>• business and general economic conditions;</li> <li>• credit risk;</li> <li>• country risk;</li> <li>• interest rate and inflation risk;</li> <li>• funding and liquidity risk;</li> <li>• market risk;</li> <li>• currency risk;</li> <li>• operational risk;</li> <li>• legal risk;</li> <li>• tax risk;</li> <li>• systemic risk;</li> <li>• effect of governmental policy and regulation;</li> <li>• minimum regulatory capital and liquidity requirements;</li> <li>• credit ratings;</li> <li>• competition;</li> <li>• business environment;</li> <li>• terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events; and</li> <li>• the loss of key employees.</li> </ul> |
| D.3 | <b>Key information on the key risks that are specific to the Notes:</b> | <p>There are also risks associated with the Notes. These include:</p> <ul style="list-style-type: none"> <li>• <i>Market risks</i>: a range of market risks, including: <ul style="list-style-type: none"> <li>• there may be no or only a limited secondary market in the Notes;</li> <li>• an optional redemption feature of Notes is likely to limit their market value; and</li> <li>• any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes.</li> </ul> </li> <li>• <i>Modification without consent</i>: the conditions of the Notes may be modified without the consent of the holder in certain circumstances.</li> </ul>   |

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|  |  | <ul style="list-style-type: none"> <li>• <i>Withholding tax risk:</i> the holders may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable laws.</li> <li>• <i>Change in law:</i> investors are exposed to the risk of changes in laws or regulations affecting the value of the Notes.</li> <li>• <i>Exchange rate risk:</i> an investor's investment may be adversely affected by exchange rate movements.</li> <li>• <i>Interest rate risks:</i> a holder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. A holder of Floating Rate Notes, CMS Linked Notes and Range Accrual Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes, CMS Linked Notes and Range Accrual Notes in advance.</li> <li>• <i>Notes issued at a discount:</i> the market values of Zero Coupon Notes issued at a substantial discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.</li> </ul> |
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| Section E – Offer |   |   |
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| <b>E.2b</b>       | <b>Reasons for the offer and use of proceeds:</b>                                 | The net proceeds from each issue of Notes will be used by the Issuer in connection with its banking business unless otherwise specified with respect to a specific issue of Notes.  |
| <b>E.3</b>        | <b>Terms and Conditions of the Offer:</b>   | The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the relevant Final Terms. An investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror other than the Issuer will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations, expenses and settlement arrangements. The investor must look to the relevant Authorised Offeror for the provision of such information and the Authorised Offeror will be responsible for such information. The Issuer has no responsibility or liability to an investor in respect of such information. |
| <b>E.4</b>        | <b>Interests of natural and legal persons involved in the issue of the Notes:</b> | The relevant Dealer(s) may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their respective affiliates in the ordinary course of business.  |

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| E.7 | <b>Estimated expenses charged to the investor by the Issuer or the offeror:</b> | <p>There are no expenses charged to the investor by the Issuer or any Authorised Offeror with respect to the Programme generally; however, such expenses may be charged in connection with a specific issue of Notes. If so, details will be included in the issue-specific summary attached to the relevant Final Terms.</p> |
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## RISK FACTORS

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

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

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

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

#### ***Business and general economic conditions***

The profitability of Rabobank Group could be adversely affected by a worsening of general economic conditions in the Netherlands and/or globally. Banks are still facing persistent turmoil in financial markets following the European sovereign debt crisis that arose in the first half of 2010 and has continued in 2013. In 2012, the Dutch economy contracted more than foreseen at the beginning of the year and was characterised by a drop in consumer spending, rising unemployment, falling house prices and a lack of business investment. These factors have resulted in reduced borrowing and interest rates, and increases in impaired loans. It is expected that 2013 will be another difficult year for the Dutch economy, as structural reform in the Dutch economy and throughout Europe may lead to higher unemployment, lower household purchasing power and low business investment. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. In 2012, interest rates declined further to historic lows and have remained low in 2013. Persistent low interest rates, or even negative interest rates, could negatively affect the net interest income of Rabobank Group. Also, a prolonged economic downturn, or significantly higher interest rates for customers, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, a market downturn and worsening of the Dutch and global economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from 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". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material adverse effect on Rabobank Group's results of operations.

### **Credit risk**

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

### **Country risk**

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

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

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

### **Funding and liquidity risk**

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

### **Market risk**

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

### **Currency risk**

Rabobank Group is an internationally active bank. As such, part of its capital is invested in foreign activities. This gives rise to currency risk, in the form of translation risk. In addition, the trading books are

exposed to market risk, in that they can have positions that are affected by changes in the exchange rate of currencies. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on Rabobank Group's results of operations.

### ***Operational risk***

As a risk type, operational risk has acquired its own distinct position in the banking world. It is understood to mean "the risk of losses resulting from inadequate or failed 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, inadequate documentation, losses due to poor occupational health and safety conditions, errors in transaction processing, non-compliance with the law and system failures. The occurrence of any such incidents could have a material adverse effect on Rabobank Group's results of operations.

### ***Legal risk***

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal 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 Rabobank Group is successful. Although Rabobank Group has processes and controls to manage legal risks, failure to manage these risks could have a negative impact on Rabobank Group's reputation and could have a material adverse effect on Rabobank Group's results of operations.

### ***Tax risk***

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

### ***Systemic risk***

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

### ***Effect of governmental policy and regulation***

Rabobank Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union, 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 Rabobank Group operates; changes and rules in competition and pricing environments; developments in the financial reporting environment; stress-testing exercises to which financial institutions in general, and Rabobank Group in particular, are subject; implementation of conflicting or incompatible regulatory requirements in different jurisdictions relating to the same products or transactions; or unfavourable developments producing social instability or legal uncertainty which, in turn, may affect demand for Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

As of 1 October 2012, the Dutch government introduced a banking tax for all entities that are authorised to conduct banking activities in the Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as at the end of such bank's preceding financial year, with exemptions for equity, deposits that are covered by a guarantee scheme and for certain liabilities relating to insurance business. The levy on short-term funding liabilities is twice as high as the levy on long-term funding liabilities. In 2012, Rabobank Group was responsible for €196 million of the €600 million tax.

On 1 February 2013, the Dutch state nationalised the Dutch banking and insurance group SNS Reaal. To finance this operation, a special, one-off resolution levy of €1 billion will be imposed on banks based in the Netherlands. It is estimated that Rabobank's share of the resolution levy will be approximately €320 million. If further financial institutions are bailed out, additional taxes or levies could be imposed, which may have a material adverse effect on Rabobank's results of operations.

Moreover, in 2015, a new way of financing the Dutch Deposit Guarantee Scheme, a pre-funded system that protects bank depositors from losses caused by a bank's inability to pay its debts when due, will come into force. The target level of the fund will be 1 per cent. of total guaranteed deposits in the Netherlands, or €4 billion. Each bank will be required to pay a base premium of 0.0167 per cent. per quarter of its total guaranteed deposits in the Netherlands. A risk add-on may be charged depending on the risk-weighting of the bank. This was originally planned to be introduced in 2012. However, the introduction of the new financing method was first postponed to 1 July 2013 and, following the nationalisation of SNS Reaal, it has been postponed by a further two years. All these factors may have material adverse effects on Rabobank Group's results of operations.

In February 2013, the European Commission issued a proposal for a financial transaction tax. The financial transactions tax would be levied on transactions involving certain financial instruments by financial institutions with an established link to one of the 11 participating member states. These participating member states are Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain. The financial transactions tax would be assessed on a transaction either if one of the financial institutions is established in one of the 11 participating member states or if the transaction involves financial instruments issued in one of the 11 participating member states. If the proposal is implemented, Rabobank Group may be required to pay the financial transactions tax on certain transactions in financial instruments, possibly beginning on 1 January 2014. The proposal requires further approval by the European Council, and will require consultation with other European Union institutions before it may be implemented by the participating member states. The Dutch Parliament has not adopted the proposal, but may do so in the future. The financial transactions tax, if implemented, may have a material adverse effect on Rabobank's results of operations.

As of 1 July 2012, a personal mortgage loan should not be higher than €320,000 to be eligible for being secured by the Dutch Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen* or “**WEW**”), an institution that was founded by the Dutch government in 1993, through the National Mortgage Guarantee Scheme (*Nationale Hypotheek Garantie* or “**NHG**”). As of 1 July 2013, this maximum will be reduced to €290,000 and, as of 1 July 2014, to €265,000.

In 2013, the tax deductibility of mortgage loan interest payments for Dutch homeowners has been restricted. As of 1 January 2013, interest payments on new mortgage loans can only be deducted when the loan is fully redeemed in 30 years on a linear or annuity basis. Moreover, the maximum permissible amount of a residential mortgage has been reduced from 106 per cent. to 105 per cent. of the value of the property. This maximum will be further reduced (by 1 per cent. each year) to 100 per cent. in 2018. This could have a material adverse effect on Rabobank Group’s results of operations.

On 21 July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial regulation. Implementation of the Dodd-Frank Act requires detailed rulemaking by different U.S. regulators, including the Department of the Treasury, the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”), the SEC, the Federal Deposit Insurance Corporation (the “**FDIC**”), the Office of the Comptroller of the Currency (the “**OCC**”), the Commodity Futures Trading Commission (the “**CFTC**”) and the Financial Stability Oversight Council (the “**FSOC**”), an institution that was established by the Act. This rulemaking process is still going on and will last some more years. Uncertainty remains about the final details, timing and impact of the rules that have not been specified yet, although implementation of many key aspects of the Dodd-Frank Act is ongoing. The Dodd-Frank Act provides for new or enhanced regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital standards, (iii) the resolution of failing systemically significant financial institutions, (iv) OTC derivatives, (v) the ability of banking entities to engage in proprietary trading activities and invest in hedge funds and private equity (the so-called “Volcker rule”) and (vi) consumer and investor protection. The further implementation of the Dodd-Frank Act and related final regulations could result in significant costs and potential limitations on Rabobank Group’s businesses and may have material adverse effects on Rabobank Group’s results of operations.

In the United Kingdom, the Independent Commission on Banking, chaired by Mr. John Vickers, released its Final Report on 12 September 2011. This report recommends that the retail banking activities of banks in the United Kingdom should be structurally separated, by a “ring-fence”, from wholesale banking and investment banking activities. A similar recommendation was made at EU level in the final report (the “**Liikanen Report**”), published on 2 October 2012, of the High-level Expert Group on reforming the structure of the EU banking sector under the chair of Mr. Erkki Liikanen. In November 2012, the Dutch government established a committee, the *Commissie Structuur Nederlandse banken*, chaired by Mr. Herman Wijffels, to investigate the applicability of the Liikanen Report to the Dutch banking sector and the manner in which a defaulting bank might be split up and resolved. The committee aims at delivering its final report on 15 June 2013. If the Wijffels commission concludes that the Liikanen Report is capable of being adopted into law in the Netherlands, this could have a material adverse effect on Rabobank Group’s results of operations.

The impact of future regulatory requirements such as Basel III, the Capital Requirements Directive and Regulation, FATCA, the framework recovery plan, the Volcker rule and Vickers report and the Dodd-Frank Act will have far-reaching implications and require implementation of new business processes and models. Compliance with the rules and regulations places ever greater demands on our management, employees and information technology.

#### ***Minimum regulatory capital and liquidity requirements***

Rabobank Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Under Basel II,

capital requirements are inherently more sensitive to market movements than under previous regimes. Capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of Rabobank Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which, in turn, may have a material adverse impact on Rabobank Group's results of operations. A shortage of available capital may restrict Rabobank Group's opportunities for expansion.

In the future, under the Basel III regime ("Basel III"), capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee on Banking Supervision (the "Basel Committee") proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010, the Basel Committee issued its final view on Basel III, as discussed under "Regulation of Rabobank Group". The Basel Committee has subsequently issued amendments and refinements with respect to the Basel III regime, particularly with respect to its liquidity requirements, capital requirements for exposures to central counterparties, and other areas. The Basel Committee has indicated that it continues to consider potential revisions to the Basel III regime.

There can be no assurance that, prior to its implementation which is expected on 1 January 2014, the Basel Committee will not amend the package of reforms described above. Further, the European Commission and/or the Dutch Central Bank may implement Basel III and other reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's results of operations.

### ***Credit ratings***

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

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

### ***Competition***

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

### ***Geopolitical developments***

Concerns about geopolitical developments (such as tensions surrounding Korea's and Iran's nuclear programme), social unrest (such as the continuing turmoil in Syria), oil prices and natural disasters, among other things, can affect the global financial markets. Since the beginning of the 21st century, accounting and corporate governance scandals have significantly undermined investor

confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's results of operations.

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

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

***Key employees***

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

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

***The Notes may not be a suitable investment for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency (as defined in "Risks related to the market generally — Exchange rate risks and exchange controls");
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to

evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors the most common of which are set out below:

#### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

#### ***Fixed/Floating Rate Notes***

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

#### ***Range Accrual Notes, CMS Linked Notes, Equity Linked Notes, Index Linked Notes, FX Linked Notes and Dual Currency Notes***

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies, which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may risk losing part of, or their entire investment, for example, if exchange rates or any other relevant index moves sufficiently in an unanticipated direction;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable on redemption may be less than the nominal amount on such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified;
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (viii) Notes may contain broad calculation agent discretions to interpret, change or redeem the Notes, where such discretions are not required to be exercised in the interests of Noteholders.

Range Accrual Notes, CMS Linked Notes and Index Linked Notes (as defined in the "Terms and Conditions of the Notes") differ from ordinary debt securities in that amounts due in respect of principal and/or interest will be dependent upon the performance of the underlying Reference Rate, CMS Rate or Index, which itself may contain substantial credit, interest rate or other risks. Additionally, for Index Linked Notes, the Final Terms may provide for the Notes to be adjusted or redeemed on the occurrence of certain specified events affecting the Index or the Index Sponsor (as defined in the "Terms and Conditions of the Notes"). Furthermore, where Additional Disruption Events and Change in Law and/or Hedging Disruption and/or Increased Cost of Hedging are specified as applying in the relevant Final Terms, the Notes will be subject to adjustment or may be redeemed on the occurrence of disruptions to, or certain specified events affecting, the Issuer's and/or its Affiliates' related hedging arrangements.

Equity Linked Notes differ from ordinary debt securities in that the amount of principal and/or interest payable by the Issuer will depend on the market value of the Underlying Securities (as defined in the "Terms and Conditions of the Notes"). Additionally, where Potential Adjustment Event, Merger Event, Tender Offer and/or Nationalisation, Delisting or Insolvency (each as defined in the "Terms and Conditions of the Notes") are specified as applying in the relevant Final Terms, the Notes will be subject to adjustment or may be redeemed on the occurrence of certain specified events affecting the Underlying Security or the Company (as defined in the "Terms and Conditions of the Notes") that has issued the Underlying Security. Furthermore, where Additional Disruption Events and Change in Law and/or Hedging Disruption and/or Increased Cost of Hedging are specified as applying in the relevant Final Terms, the Notes will be subject to adjustment or may be redeemed on the occurrence of disruptions to, or events affecting, the Issuer's and/or its Affiliates' related hedging arrangements. If Dual Currency has been declared applicable in the relevant Final Terms, payments (whether in respect of repayment or interest and whether at maturity or otherwise) will be made in such currencies and based on such rates of exchange as may be specified in the relevant Final Terms. The Noteholder may be exposed to currency risk in such event.

For Equity Linked Redemption Notes, where the Notes relate to Underlying Securities originally quoted, listed and/or dealt in as of the Issue Date (as defined in the "Terms and Conditions of the Notes") in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, if such Underlying Securities are at any time after the Issue Date quoted, listed and/or dealt in exclusively in euro on the relevant Exchange, then the Notes will be subject to such adjustment as the Calculation Agent as defined in the relevant Final Terms determines to be appropriate to preserve the economic terms of the Notes.

Equity Linked Notes will not represent a claim against or an investment in any issuer of any underlying securities and Noteholders will not have any right of recourse under the Notes to any such issuer or the underlying securities. The Notes are not in any way sponsored, endorsed or promoted by any issuer of any underlying securities and such companies have no obligation to take into account the consequences of their actions for any Noteholders. Accordingly, the issuer of any underlying securities

may take any actions in respect of such Underlying Securities without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes.

FX Linked Notes have a different risk profile to ordinary debt securities. Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the nature and value of the investment return on the FX Linked Notes. Furthermore, investors who intend to convert gains or losses from the redemption, exercise or sale of FX Linked Notes into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). The performance of currency values is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and the safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks, regardless of other market forces.

Where the FX Linked Notes are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currency or currencies can experience significantly more volatility and less certainty with respect to their future levels or the rate of exchange against other currencies than currencies of more developed markets. Emerging market currencies are highly exposed to the risk of a currency crisis happening in the future and this could trigger the need for the Calculation Agent to make adjustments to the terms and conditions of the Notes.

Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a relevant currency. Even if there are no actual exchange controls, it is possible that a relevant currency would not be available when payments on the relevant FX Linked Note are due.

### ***Settlement Disruption Events***

In the case of Notes for which Physical Settlement is specified as applicable in the relevant Final Terms, if a Settlement Disruption Event occurs or exists on the Delivery Date, settlement or redemption, as the case may be, will be postponed until the date on which no Settlement Disruption Event is subsisting. The Issuer, while the Settlement Disruption Event is continuing, also has the right to pay the Disruption Cash Settlement Price in lieu of physical settlement.

### ***Partly Paid Notes***

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

### ***Variable Rate Notes with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features. In addition, Variable Rate Notes may include an option for the Issuer to change the rate of interest at its own discretion and without the prior consent of the Noteholders.

### ***Inverse Floating Rate Notes***

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

### ***Notes issued at a substantial discount or premium***

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

### **Risks related to Notes generally**

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

#### ***Modification, waivers and substitution***

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

The Terms and Conditions 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 Notes, Receipts and Coupons (as defined in the "Terms and Conditions of the Notes"), to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, consent. The Terms and Conditions also provide for the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 of the Notes.

#### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") (see "Taxation — EU Savings Directive" below), Member States are to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

A number of third countries and territories including Switzerland have adopted similar measures to the Savings Directive.

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 pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent (as defined in the "Terms and Conditions of the Notes") nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

### **FATCA Withholding**

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the “**ICSDs**”), in all but the most remote circumstances, it is not expected that FATCA (as defined in “Taxation – FATCA Withholding”) will affect the amount of any payment received by the ICSDs (see “Taxation – FATCA Withholding”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has paid the Common Depositary or Common Safekeeper for the ICSDs (as bearer, or registered holder, of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries. Please see “Taxation – FATCA Withholding” for more information on this legislation.

### **Statutory loss absorption**

On 6 June 2012, the European Commission proposed a new directive, known as the Crisis Management Directive, on a comprehensive framework for dealing with failing banks. This proposed directive includes proposals to give regulators resolution powers, *inter alia*, to write down the debt of a failing bank (or to convert such debt into capital) to strengthen its financial position and allow it to continue as a going concern, subject to appropriate restructuring measures being taken. It is currently unclear whether measures ultimately adopted in this area will apply to any debt currently in issue, or whether grandfathering rules will apply.

It is possible that, pursuant to the Crisis Management Directive or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the Dutch Central Bank or another relevant authority/ies (each, a “**Relevant Authority**”) which could be used in such a way as to result in the Notes absorbing losses (“**Statutory Loss Absorption**”).

Pursuant to the exercise of any Statutory Loss Absorption measures, the Notes could become subject to a determination by the Relevant Authority or the Issuer (following instructions from the Relevant Authority) that all or part of the principal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written off or otherwise be applied to absorb losses. Such determination shall not constitute an Event of Default and Noteholders will have no further claims in respect of any amount so written off or otherwise as a result of such Statutory Loss Absorption.

Any determination that all or part of the principal amount of the Notes will be subject to Statutory Loss Absorption may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer’s control. Accordingly, trading behaviour in respect of Notes which are subject to Statutory Loss Absorption is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that Notes will become subject to Statutory Loss Absorption could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, if those Statutory Loss Absorption measures were to be taken.

As used in this risk factor, “**Crisis Management Directive**” means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted

within the context of, a directive and/or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, the first draft of which was published on 6 June 2012.

Potential investors should also refer to the risk factors entitled “*Bank recovery and resolution regimes*” and “*Change of law*”.

#### ***Bank recovery and resolution regimes***

The Dutch legislator has adopted banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the “**SMFI**”). The SMFI contains similar legislation to the rules outlined in the draft Crisis Management Directive – see the risk factor entitled “*Statutory loss absorption*”. Pursuant to the SMFI, substantial new powers are granted to the Dutch Central Bank and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency. The SMFI empowers the Dutch Central Bank or the Minister of Finance, as applicable, to commence proceedings leading to, *inter alia*: (i) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) transfer of all or part of the business of the relevant bank to a “bridge bank”; and (iii) public ownership (nationalisation) of the relevant bank and expropriation of its outstanding debt securities (which may include the Notes). Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the Dutch Central Bank or the Minister of Finance, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

Within the context of the resolution tools provided in the SMFI, holders of debt securities of a bank (including the Noteholders) subject to resolution could be affected by issuer substitution or replacement, transfer of debt, expropriation, modification of terms and/or suspension or termination of listings. The draft Crisis Management Directive includes similar proposals.

It is possible that under the SMFI, or the Crisis Management Directive or any other future similar proposals, any new resolution powers given to the Dutch Central Bank or another relevant authority could be used in such a way as to result in the debt instruments of the Issuer, such as the Notes, absorbing losses or otherwise affecting the rights of Noteholders in the course of any resolution of the Issuer.

It is at this stage uncertain whether the Crisis Management Directive will be adopted and, if so, when and in what form. However, the SMFI and, if it were to be adopted in its current form, the Crisis Management Directive could negatively affect the position of Noteholders and the credit rating attached to the Notes, in particular if and when any of the above proceedings would be commenced against the Issuer, since the application of any such legislation may affect the rights and effective remedies of the Noteholders as well as the market value of the Notes.

In addition, potential investors should refer to the risk factors entitled “*Statutory loss absorption*” and “*Change of law*”.

#### ***Change of law***

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

### **Minimum Specified Denomination**

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

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

### **Risk related to Notes denominated in Renminbi**

#### ***The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC***

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the entire PRC and to make RMB trade and other current account item settlement available worldwide.

There is no assurance that the PRC government will continue gradually to liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holders of beneficial interests in Notes denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China ("PBOC"), the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the settlement agreement on the Clearing of RMB Business (the "**Settlement Agreement**") between the PBOC and the Bank of China (Hong Kong) Limited (the "**RMB Clearing Bank**") to expand further the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

On 14 June 2012, the HKMA introduced a facility (the “**Liquidity Facility**”) for providing Renminbi liquidity to authorised institutions participating in Renminbi business (“**Participating AIs**”) in Hong Kong. The Liquidity Facility will make use of the currency swap arrangement between the PBOC and the HKMA. With effect from 15 June 2012, the HKMA will, in response to requests from individual Participating AIs, provide Renminbi term funds to the Participating AIs against eligible collateral acceptable to the HKMA. The Liquidity Facility is intended to address short-term Renminbi liquidity tightness which may arise from time to time, for example, due to capital market activities or a sudden need for Renminbi liquidity by the Participating AIs’ overseas bank customers.

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

***Investment in the CNH Notes is subject to exchange rate risks and the Issuer may make payments of interest and principal in U.S. Dollars in certain circumstances***

The value of the Renminbi against the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Issuer’s primary obligation is to make all payments of interest and principal or other amounts with respect to the CNH Notes in Renminbi, in certain circumstances, and if so specified, the terms of the Notes allow the Issuer to delay any such payment and/or make payment in U.S. Dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Notes, all as provided for in more detail in the Notes (see Condition 11(i)). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. Dollar or other foreign currencies, the value of a CNH Noteholder’s investment in U.S. Dollars or other applicable foreign currency terms will decline.

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

All payments to investors in respect of the CNH Notes will be made solely by (i) when CNH Notes are represented by a Global Note or a Global Certificate, transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing CMU rules and procedures, or (ii) when CNH Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

## **Risks related to payment of Notes in an Alternative Currency**

The Issuer's primary obligation is to make all payments of interest and principal with respect to Notes in the relevant Specified Currency (or, in the case of Dual Currency Notes, the currency in which payment is otherwise to be made on such Notes). However, if so specified in the Notes, in the event access to the Specified Currency becomes restricted to the extent that, by reason of a Scheduled Payment Currency Disruption Event (as defined in the Conditions), it would (having been requested to make such a determination by the Issuer), in the opinion of the nominated adjudication agent (which may be the Issuer, if so specified), be commercially impracticable for the Issuer to pay interest or principal in the Specified Currency, the Issuer may in its sole and absolute discretion (i) postpone the payment of any such amounts, (ii) make any such payment in the relevant Alternative Currency at the rates, and in the manner, set out in Condition 11(i) and the relevant Final Terms, (iii) postpone the payment and make such payment in the relevant Alternative Currency or (iv) cancel or redeem the Notes.

## **Risks related to the market generally**

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

### ***The secondary market generally***

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

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

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

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the "Terms and Conditions of the Notes"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. If the Notes are denominated in a currency other than the currency of the country in which the Noteholder is resident, the Noteholder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The Noteholder may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Note is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect

an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks***

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

***Credit ratings may not reflect all risks***

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

***Legal investment considerations may restrict certain investments***

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

## PUBLIC OFFERS OF NON-EXEMPT PD NOTES IN THE EUROPEAN ECONOMIC AREA

Non-Exempt PD Notes may, subject as provided below, be offered in a Relevant Member State in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to in this Base Prospectus as a “**Public Offer**”.

This Base Prospectus has been prepared on a basis that permits Public Offers of Non-Exempt PD Notes in Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom (together, the “**Public Offer Jurisdictions**”). Any person making or intending to make a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction on the basis of this Base Prospectus must do so only with the Issuer’s consent – see “*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*” below.

If the Issuer intends to make or authorise any Public Offer of Non-Exempt PD Notes to be made in one or more Relevant Member States other than in a Public Offer Jurisdiction, it will prepare a supplement to this Base Prospectus specifying such Relevant Member State(s) and any additional information required by the Prospectus Directive in respect thereof. Such supplement will also set out provisions relating to the Issuer’s consent to use this Base Prospectus in connection with any such Public Offer.

Save as provided above, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for either the Issuer or any Dealer to publish or supplement a prospectus for such offer.

### **Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)**

In the context of any Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction, the Issuer accepts responsibility, in a Public Offer Jurisdiction, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an “**Investor**”) to whom an offer of any Non-Exempt PD Notes is made by any financial intermediary to whom the Issuer has given its consent to use the Base Prospectus (an “**Authorised Offeror**”), where the offer is made in compliance with all conditions attached to the giving of the consent. Such consent and conditions are described below under “*Consent*” and “*Common conditions to consent*”. Neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such Public Offer.

**Save as provided below, neither the Issuer nor any Dealer has authorised the making of any Public Offer and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Non-Exempt PD Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If, in the context of a Public Offer, an Investor is offered Non-Exempt PD Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

### **Consent**

Subject to the conditions set out below under “*Common conditions to consent*”:

- (A) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction by the relevant Dealer and by:
  - (i) any financial intermediary named as an Initial Authorised Offeror in the relevant Final Terms; and
  - (ii) any financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the Issuer's website ([www.rabobank.com](http://www.rabobank.com)) and identified as an Authorised Offeror in respect of the relevant Public Offer; and
- (B) if (and only if) Part B of the relevant Final Terms specifies "*General Consent*" as "*Applicable*", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Non-Exempt PD Notes in a Public Offer Jurisdiction by any financial intermediary which satisfies the following conditions:
  - (i) it is authorised to make such offers under the applicable legislation implementing the Markets in Financial Instruments Directive; and
  - (ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

*"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Non-Exempt PD Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) [Australia Branch]/[Singapore Branch] (the "Issuer"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom] (the "Public Offer") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Public Offer accordingly."*

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

- (I) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:
  - (a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation, Rules relating to both the appropriateness or suitability of any investment in the Non-Exempt PD Notes by any person and disclosure to any potential Investor, and will immediately inform the Issuer and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
  - (b) comply with the restrictions set out under "*Plan of Distribution*" in this Base Prospectus which would apply as if it were a Dealer;
  - (c) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Non-Exempt PD Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

- (d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Non-Exempt PD Notes under the Rules;
- (e) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Non-Exempt PD Notes by the Investor), and will not permit any application for Non-Exempt PD Notes in circumstances where the financial intermediary has any suspicions as to the source of the application moneys;
- (f) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the relevant Dealer;
- (g) ensure that no holder of Non-Exempt PD Notes or potential Investor in Non-Exempt PD Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and, to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (h) cooperate with the Issuer and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the Issuer or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Dealer:
  - (i) in connection with any request or investigation by the AFM and/or any relevant regulator of competent jurisdiction in relation to the Non-Exempt PD Notes, the Issuer or the relevant Dealer; and/or
  - (ii) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror, including, without limitation, complaints as defined in rules published by the AFM and/or any relevant regulator of competent jurisdiction from time to time; and/or
  - (iii) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Non-Exempt PD Notes and/or as to allow the Issuer or the relevant Dealer fully to comply within its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (i) during the primary distribution period of the Non-Exempt PD Notes: (i) not sell the Non-Exempt PD Notes at any price other than the Issue Price specified in the relevant Final Terms (unless otherwise agreed with the relevant Dealer); (ii) not sell the Non-Exempt PD Notes otherwise than for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed

with the relevant Dealer and the Issuer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Non-Exempt PD Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

- (j) either (i) obtain from each potential Investor an executed application for the Non-Exempt PD Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case, prior to making any order for the Non-Exempt PD Notes on their behalf, and, in each case, maintain the same on its files for so long as is required by any applicable Rules;
- (k) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (l) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Public Offer as specified in the relevant Final Terms;
- (m) make available to each potential Investor in the Non-Exempt PD Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the relevant Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus; and
- (n) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (i) is fair, clear and not misleading and complies with the Rules, (ii) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer nor the relevant Dealer accepts any responsibility for such communication and (iii) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or, respectively, the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Non-Exempt PD Notes on the basis set out in this Base Prospectus;
- (II) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case, on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any

information which has not been authorised for such purposes by the Issuer or the relevant Dealer; and

(III) agrees and accepts that:

(a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, the laws of the Netherlands; and

(b) the competent courts of Amsterdam, the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of such courts.

**Any financial intermediary falling within sub-paragraph (B) above who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (B)(ii) above.**

#### **Common conditions to consent**

The conditions to the Issuer's consent are (in addition to the conditions described in paragraph (B) above if Part B of the relevant Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (a) is only valid in respect of the relevant Tranche of Non-Exempt PD Notes;
- (b) is only valid during the Offer Period specified in the relevant Final Terms; and
- (c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Non-Exempt PD Notes in one or more of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom, as specified in the relevant Final Terms.

#### **ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS**

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NON-EXEMPT PD NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NON-EXEMPT PD NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NON-EXEMPT PD NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER THE ISSUER NOR ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

## **Public Offers: Issue Price and Offer Price**

Non-Exempt PD Notes to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the relevant Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Public Offer and will depend, amongst other things, on the interest rate applicable to the Non-Exempt PD Notes and prevailing market conditions at that time. The offer price of such Non-Exempt PD Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Non-Exempt PD Notes to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Non-Exempt PD Notes to such Investor.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the articles of association of Rabobank Nederland, last amended on 23 June 2011;
- (b) the Terms and Conditions of the Rabobank Nederland Global Medium-Term Note programmes for which the respective Offering Circulars are dated 7 October 2003, 15 October 2004, 11 July 2005, 31 May 2006, 14 May 2007, 13 May 2008, 8 May 2009, 6 May 2010 and for which the respective Base Prospectuses are dated 6 May 2011 and 9 May 2012;
- (c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2010, 2011 and 2012 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto); and
- (d) the audited unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2010, 2011 and 2012 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto),

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

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus is delivered, a copy of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above, in which case the modified or superseding version of such document will be provided. Such documents may be obtained (i) from the Issuer at its registered office set out at the end of this Base Prospectus, (ii) by telephoning the Issuer on +31 (0)30 2160000 or (iii) from the Issuer's website at [https://www.rabobank.com/en/ir/Funding/Funding\\_programmes/Rabobank\\_Nederland\\_EUR\\_160\\_bn\\_GMTN\\_Programme.html](https://www.rabobank.com/en/ir/Funding/Funding_programmes/Rabobank_Nederland_EUR_160_bn_GMTN_Programme.html). In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabobank International (as Euronext Amsterdam Listing Agent) for Notes listed on Euronext Amsterdam and from the principal office in England of the Arranger and of the Paying Agent in Luxembourg.

The contents of websites referenced in this Base Prospectus do not form any part of this Base Prospectus.

## **SUPPLEMENTARY PROSPECTUS**

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

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

## IMPORTANT INFORMATION

### Responsibility statement

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

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

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (“**RSA**”) 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.

Rabobank Nederland has agreed that, for so long as any Notes 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 Base Prospectus.

### Presentation of financial information

The audited consolidated financial statements for the years ended 31 December 2010, 31 December 2011 and 31 December 2012 and the corresponding summary figures incorporated by reference in this Base Prospectus have been prepared in accordance with International Financial Reporting Standards as adopted by the EU pursuant to EU Regulation No 1606/2002 (IFRS).

### ***Change in accounting policies and presentation***

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group for the year ended 31 December 2011 in this Base Prospectus have been restated. See the Rabobank Group consolidated financial statements 2012, under note 2.1.1 "Changes in accounting policies and presentation" and note 44 "Discontinued operations" for further information.

### **Forward-looking statements**

This Base Prospectus includes "forward-looking statements" within the meaning of section 27A of the Securities Act and section 21E of the Exchange Act. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Issuer's products), are forward-looking statements.

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

Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes or downturns in the Dutch economy or the economies in other countries in which the Issuer conducts business, the impact of fluctuations in foreign exchange rates and interest rates and the impact of future regulatory requirements.

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

### **Special considerations**

Index Linked Notes are not in any way sponsored, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index and/or the figure at which the Index stands at any particular time on any particular day or otherwise. Each Index is calculated by a third party independent from the Issuer and, therefore, the Issuer will not accept any liability for any act or failure to act by the relevant Index Sponsor in connection with, among other things, the calculation, adjustment, maintenance or cancellation of the Index.

Equity Linked Notes are not in any way sponsored, endorsed, sold or promoted by the issuer of the Underlying Securities and the issuer of the Underlying Securities makes no warranty or representation whatsoever, express or implied, as to the future performance of the Underlying Securities.

With respect to FX Linked Notes, the Issuer makes no warranty or representation whatsoever, express or implied, as to the future performance of the relevant currency rate(s) or the value or level derived from a formula or index relating to one or more currency rate(s) or a combination thereof.

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

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other

matters referred to above and none of the Issuer nor the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

## GENERAL DESCRIPTION OF THE PROGRAMME

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

The following general description is qualified in its entirety by the remainder of this Base Prospectus.

|                         |   |
|-------------------------|---|
| <b>Issuer:</b>          | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), including issuing through:<br><br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch<br><br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch   |
| <b>Description:</b>     | Global Medium-Term Note Programme   |
| <b>Date:</b>            | 8 May 2013  |
| <b>Size:</b>            | Up to EUR 160,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.   |
| <b>Use of proceeds:</b> | The net proceeds from the issues of the Notes will be used by the Issuer in connection with its banking business.   |
| <b>Arranger:</b>        | Credit Suisse Securities (Europe) Limited   |
| <b>Dealers:</b>         | Barclays Bank PLC<br>BNP PARIBAS<br>Citigroup Global Markets Limited<br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)<br>Credit Suisse Securities (Europe) Limited<br>Daiwa Capital Markets Europe Limited<br>Goldman Sachs International<br>HSBC Bank plc<br>J.P. Morgan Securities plc<br>Merrill Lynch International<br>Mizuho International plc<br>Morgan Stanley & Co. International plc<br>Nomura International plc<br>RBC Europe Limited<br>The Royal Bank of Scotland plc<br>The Toronto-Dominion Bank<br>UBS Limited |
|                         | The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in  |

respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

**Fiscal Agent:**

Deutsche Bank AG, London Branch

**Method of Issue:**

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

**Issue Price:**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

**Form of Notes:**

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

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series and may be represented by a Global Certificate. Unrestricted Notes in registered form will initially be represented by an

Unrestricted Global Certificate, without interest coupons, which may be deposited on the issue date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with (a) (in respect of Global Certificates which are not held under the NSS) a Common Depository on behalf of Euroclear and Clearstream, Luxembourg or (b) (in respect of Global Certificates which are held under the NSS), a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (ii) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg, DTC or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. Restricted Notes in registered form will initially be represented by a Restricted Global Certificate, without interest coupons, which may be deposited on the issue date either (a) (in respect of Global Certificates which are not held under the NSS) with a Common Depository on behalf of Euroclear and Clearstream, Luxembourg or (b) (in respect of Global Certificates which are held under the NSS) a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (ii) with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC. Only Rabobank Nederland may issue Notes which are offered and sold in the United States to "qualified institutional buyers" pursuant to Rule 144A and are issued as Restricted Notes or Notes represented by a Restricted Global Certificate.

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

The provisions governing the exchange of interests in a Global Note for another Global Note and Definitive Notes and the exchange of interests in each Global Certificate for individual Certificates are described in "Summary of Provisions Relating to the Notes while in Global Form". Interests in Global Certificates may be exchanged for individual Certificates in certain circumstances. See "Summary of Provisions Relating to the Notes while in Global Form" and "Clearing and Settlement".

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

**Clearing Systems:**

Clearstream, Luxembourg, Euroclear, DTC, Clearstream Banking AG and Euroclear France and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer. SIS Notes will be cleared through SIX SIS Ltd.

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, if the relevant Global Note representing Bearer Notes or Exchangeable Bearer Notes is an NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the Issue Date for each Tranche, if the relevant Global Note representing Bearer Notes

or Exchangeable Bearer Notes is a CGN or the Global Certificate representing Registered Notes is not held under the NSS, such Global Note or Global Certificate may (or, in the case of Notes to be listed on the Luxembourg Stock Exchange, shall) be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with Clearstream Banking AG, Euroclear France or any other clearing system or may be delivered outside any clearing system, provided that, save in the case of delivery to Clearstream Banking AG or Euroclear France, the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

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

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers, except that, at the date hereof, only Rabobank Nederland may issue Notes denominated in Sterling.

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, any maturity between seven days and perpetuity.

**Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, Registered Notes will be in amounts of the denomination or integral multiples thereof specified in the relevant Final Terms, and individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the relevant Final Terms, and, in the case of Notes initially represented by a Restricted Global Certificate and sold pursuant to Rule 144A, in amounts of U.S.\$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of U.S.\$1,000, in certain limited circumstances described in “Summary of Provisions Relating to the Notes while in Global Form” and “Clearing and Settlement”.

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

**Variable Rate Notes:** Variable Rate Notes will bear both fixed and floating interest payable on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a

notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Rate**”) or (ii) by reference to EURIBOR, EONIA, LIBOR, LIBID, LIMEAN or STIBOR (or, in the case of Exempt Notes only, such other benchmark as may be specified in the relevant Final Terms) or as adjusted for any applicable margin or (iii) in the case of Exempt Notes only, using any other method of determination as may be specified in the relevant Final Terms. Interest periods will be specified in the relevant Final Terms.

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

**Inverse Floating Rate Notes:**

Inverse Floating Rate Notes will bear interest calculated as follows: (i) by subtracting from a specified margin, a floating rate of interest calculated in the manner described in sub-paragraphs (i) and (ii) above under the heading “Floating Rate Notes” or (ii) by applying one of the formulae specified in Condition 6(d) or (iii) in the case of Exempt Notes only, by using any other method of determination as may be specified in the relevant Final Terms.

**CMS Linked Notes:**

Payments of interest in respect of CMS Linked Notes shall be calculated by reference to one or more CMS Rates by applying one of the formulae specified in Condition 6(e) or, in the case of Exempt Notes only, by using any other method of determination as may be specified in the relevant Final Terms.

**Range Accrual Notes:**

Range Accrual Notes bear interest at a variable rate. The Rate of Interest is only earned on days in each Interest Period when another rate, from which the Rate of Interest is derived (such as LIBOR or EURIBOR), falls within a specified range. The Rate of Interest for each Interest Period is therefore proportional to the number of days during the Interest Period on which the relevant rate falls within the specified range. The range will be specified in the relevant Final Terms.

Payments of interest in respect of Range Accrual Notes issued under the Programme shall be calculated by applying one of the formulae specified in Condition 6(f) or, in the case of Exempt Notes only, by using any other method of determination as may be specified in the relevant Final Terms.

**Zero Coupon Notes:**

Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.

**Dual Currency Notes:**

Dual Currency Notes may be issued only as Exempt Notes. Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified

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|   | in the relevant Final Terms.   |
| <b>Equity Linked Notes:</b>                 | Equity Linked Notes may be issued only as Exempt Notes. Payments of principal in respect of Equity Linked Redemption Notes or of interest in respect of Equity Linked Interest Notes will be calculated by reference to a single equity security or basket of equity securities on such terms as may be specified in the relevant Final Terms. Equity Linked Redemption Notes may be settled at maturity or otherwise by receipt by the Noteholder(s) of a Final Redemption Amount or by delivery of the Underlying Securities, in each case as specified in the relevant Final Terms.                   |
| <b>FX Linked Notes:</b>                     | FX Linked Notes may be issued only as Exempt Notes. Payments of principal in respect of FX Linked Redemption Notes or of interest in respect of FX Linked Interest Notes will be calculated by reference to a foreign exchange rate or a basket of foreign exchange rates and/or a formula specified in the Final Terms or a combination thereof, on such terms as may be specified in the relevant Final Terms. FX Linked Redemption Notes may be settled at maturity or otherwise by receipt by the Noteholder(s) of a Final Redemption Amount, in each case as specified in the relevant Final Terms. |
| <b>Index Linked Notes:</b>                  | Index Linked Notes may be issued only as Exempt Notes. Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to a single index or basket of indices and/or formula on such terms as may be specified in the relevant Final Terms.   |
| <b>Other Notes:</b>                         | Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms. Such Notes (other than step-up Notes and step-down Notes) may be issued only as Exempt Notes.   |
| <b>Interest Periods and Interest Rates:</b> | The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.  |
| <b>Redemption:</b>                          | The Final Terms will specify the basis for calculating the redemption amounts payable, which, in the case of Exempt Notes only, may be by reference to a stock, index or formula or as otherwise specified in the relevant Final Terms.  |
| <b>Redemption by Instalments:</b>           | The Final Terms issued in respect of each issue of Exempt Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Exempt Notes may be redeemed.   |
| <b>Optional Redemption:</b>                 | The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders,   |

and if so the terms applicable to such redemption.

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| <b>Obligatory Redemption:</b> | If the Calculation Agent determines that an Obligatory Redemption Event has occurred or will occur in relation to any Interest Payment Date falling on or after the Obligatory Redemption Commencement Date specified in the Final Terms but prior to the Maturity Date, the Issuer shall redeem all of the Notes on such Interest Payment Date at the Obligatory Redemption Amount.  |
| <b>Early Redemption:</b>      | Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity (i) for tax reasons, (ii) where it determines in good faith that the performance of its obligations under the Notes or that any arrangements made to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (iii) in the case of Equity Linked Notes, and the Notes so specify, for reasons affecting an Underlying Security or its Company, (iv) in the case of Index Linked Notes, for reasons affecting the Index or its Index Sponsor, (v) in the case of FX Linked Notes for reasons affecting the FX Rate or FX Rate Sponsor, and (vi) in the case of Equity Linked Notes, Index Linked Notes, FX Linked Notes and other Notes under which amounts payable may be determined by reference to a formula, and the Notes so specify, for reasons of disruption to, or increase in cost of, the Issuer's or its Affiliates' related hedging arrangements. See "Terms and Conditions of the Notes — Redemption, Purchase and Options". In certain circumstances, Notes may also be redeemed automatically prior to the relevant Maturity Date, as provided further in "Terms and Conditions of the Notes — Redemption, Purchase and Options". |
| <b>Status of Notes:</b>       | The Notes will constitute unsubordinated and unsecured obligations of the Issuer all as described in "Terms and Conditions of the Notes".   |
| <b>Cross Default:</b>         | See "Terms and Conditions of the Notes — Events of Default".  |
| <b>Negative Pledge:</b>       | See "Terms and Conditions of the Notes — Negative Pledge".  |
| <b>Rating:</b>                | Senior long term Notes issued under the Programme by Rabobank Nederland and Rabobank Singapore Branch are expected to be rated AA by Fitch and Senior long-term Notes issued under the Programme by Rabobank Australia Branch are expected to be rated AA by Fitch Australia. Senior unsecured Notes issued under the Programme are expected to be rated Aa2 by Moody's. Senior Notes with a maturity of one year or more issued under the programme are expected to be rated AA- by Standard & Poor's. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice.   |
|                               | As defined by Fitch, an 'AA' rating means that the Notes are judged to  |

be of a very high credit quality and denotes expectations of very low default risk. It indicates very strong capacity for payment of financial commitments and is not significantly vulnerable to foreseeable events.

As defined by Moody's, obligations rated 'Aa' are judged to be of high quality and are subject to very low credit risk. The modifier 2 indicates that the obligation ranks in the mid-range of its generic rating category.

As defined by Standard & Poor's, an 'AA' rating means that the Notes have a high rating assigned by Standard & Poor's and that the Issuer's capacity to meet its financial commitment on the obligation is very strong. The 'AA' rating is modified by the addition of a minus (-) sign to show relative standing within the 'AA' rating category.

In addition, Rabobank's long-term deposits and senior debt ratings are rated 'AAA' by DBRS. As defined by DBRS, a 'AAA' rating means that the relevant obligations are of the highest credit quality. The capacity for the payment of such financial obligations is exceptionally high and is unlikely to be adversely affected by future events.

**Taxation:** Rabobank Nederland is a Dutch resident for tax purposes. For the tax consequences for Noteholders, see "Taxation".

**Withholding Tax:** All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Netherlands, Australia or Singapore, as the case may be, subject to the exceptions and limitations as described in "Terms and Conditions of the Notes — Taxation".

**Governing Law:** The laws of the Netherlands.

**Listing:** Euronext Amsterdam, the Official List of the Luxembourg Stock Exchange, or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted. Each Series of SIS Notes will be listed on SIX Swiss Exchange Ltd.

**Risk Factors:** The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. A description of the material risks relating to the Notes and to the Issuer is contained under the heading "Risk Factors".

**Selling Restrictions:** United States, European Economic Area, United Kingdom, the Netherlands, Australia, Singapore, the Republic of France, Japan, Hong Kong, United Arab Emirates, Dubai International Financial Centre, Qatar, the Republic of Italy, Austria, Brazil, Israel, Monaco, Taiwan, United Mexican States, the Republic of Turkey, the Republic of South Africa, Russia, Germany, New Zealand, Jordan, Switzerland, Ukraine, Canada, Kingdom of Sweden, People's Republic of China, Norway, San Marino, Argentina, Chile, Finland, Spain, Guernsey and South Korea. See "Plan of Distribution".

For the purposes of Regulation S, Category 2 selling restrictions shall apply.

In the case of Bearer Notes offered to non-U.S. persons and certain eligible U.S. persons, such Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that the Notes are issued in compliance with U.S.

Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable. In the case of a distribution under Rule 144A, Notes will be issued in registered form, as defined in U.S. Temp. Treas. Reg. §5f.103-1(c).

**Transfer Restrictions:**

There are restrictions on the transfer of Registered Notes offered and sold pursuant to Rule 144A. See “Transfer Restrictions” and “Plan of Distribution”.

## TERMS AND CONDITIONS OF THE NOTES

*The following, other than the paragraphs in italics, is the text of the terms and conditions that, subject to completion and, in the case of Exempt Notes (as defined below) only, amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. The final terms for this Note are set out in Part A of the Final Terms attached to or endorsed on this Note (or on the Certificate relating to this Note in the case of a Registered Note) which supplements these terms and conditions (the “**Conditions**”) and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (as amended) (an “**Exempt Note**”), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this Note. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented at the date of issue of the Notes (the “**Issue Date**”), the “**Agency Agreement**”) dated 8 May 2013, between Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) (“**Rabobank Nederland**” or the “**Issuer**”), acting through its head office or through one of the following of its branches, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch (“**Rabobank Australia Branch**”) and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch (“**Rabobank Singapore Branch**”), Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it and with the benefit of a Covenant (as amended or supplemented at the Issue Date, the “**Covenant**”) dated 8 May 2013 executed by the Issuer and the fiscal agent in relation to the Notes. The fiscal agent, the paying agents, the registrar, the exchange agent, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “**Fiscal Agent**”, the “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Exchange Agent**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”, and “**Agent**” shall mean any one of them. With respect to any Series of SIS Notes (as defined herein), the Issuer will appoint an issuing and principal paying agent and one or more paying agents having specified offices in Switzerland with respect to each Series (the “**Issuing and Principal Swiss Paying Agent**” and the “**Swiss Paying Agents**”, respectively) pursuant to a supplemental agency agreement. In connection therewith, references in these Conditions to the Fiscal Agent shall be deemed to be references to the Issuing and Principal Swiss Paying Agent. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments (the “**Receiptholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

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

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects (including as to listing) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects

(including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

## 1 Definitions

(a) In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Additional Disruption Event"** means Change in Law, Hedging Disruption, Increased Cost of Hedging, or any other Additional Disruption Event, in each case, if specified in the relevant Final Terms.

**"Affected Index"** means, in respect of Index Linked Notes that relate to a Basket of Indices, an Index for which an Index Valuation Date or Averaging Date is affected by the occurrence of a Disrupted Day.

**"Affected Security"** means, in respect of Equity Linked Notes that relate to a Basket of Underlying Securities, an Underlying Security for which an Equity Valuation Date or Averaging Date is affected by the occurrence of a Disrupted Day.

**"Affected Underlying Securities"** has the meaning contained in Condition 7(f)(iii).

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person), and "**controlled by**" or "**controls**" shall be construed accordingly.

**"Amortisation Yield"** shall have the meaning contained in Condition 7(b)(i)(B).

**"Amortised Face Amount"** shall have the meaning contained in Condition 7(b)(i)(B).

**"Averaging Date"** means each date specified as an Averaging Date in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless such day is a Disrupted Day in the opinion of the Calculation Agent. If such day is a Disrupted Day, then:

- (i) in respect of an Index, the Averaging Date shall be determined in accordance with Condition 8(b)(ii);
- (ii) in respect of an Underlying Security, the Averaging Date shall be determined in accordance with Condition 9(c)(ii); or
- (iii) in respect of an FX Rate, each date specified as such or otherwise determined as provided in the relevant Final Terms, subject to any adjustment in accordance with the FX Business Day Convention.

**"Base Currency"** means the currency specified as such in the relevant Final Terms.

**"Basket"** means, in respect of Index Linked Notes, a basket comprised of each Index specified in the Final Terms in the relative weighting specified in the Final Terms, in respect of Equity Linked Notes, a basket comprised of each Underlying Security specified in the Final Terms in the relative proportion/number specified in the Final Terms and, in respect of FX Linked Notes, a basket comprised of each FX Rate specified in the Final Terms in the relative proportion/number specified in the Final Terms.

**"Bearer Notes"** shall have the meaning contained in Condition 2.

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

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

**“Business Day”** means (unless otherwise specified in the relevant Final Terms):

- (i) in the case of a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (which in the case of Australian Dollars shall be Sydney and in the case of New Zealand Dollars shall be Wellington); and/or
- (ii) in the case of a currency other than Renminbi and/or one or more Business Centres, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centre(s); and/or
- (iii) in the case of euro, a day on which TARGET is operating (a **“TARGET Business Day”**); and/or
- (iv) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settlement of payments in Renminbi in Hong Kong.

**“Calculation Agent”** means Deutsche Bank AG, London Branch or, if different, as specified in the relevant Final Terms.

**“Calculation Agent FX Determination”** means, in respect of any relevant day, that the FX Rate for such relevant day (or a method for determining the FX Rate) will be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant.

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

**“Certificates”** shall have the meaning contained in Condition 2.

**“Change in Law”** means that, on or after the Issue Date of any Notes (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Underlying Security (in the case of Equity Linked Redemption Notes), any relevant security/commodity comprised in an Index (in the case of Index Linked Redemption Notes) or any relevant currency (in the case of FX Linked Redemption Notes) relating to its hedge position in respect of such Notes, or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

**“Clearing System Business Day”** means, in respect of a clearing system, any day on which such clearing system is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**“CMS Linked Note”** means a Note in respect of which the amount of interest payable is calculated by reference to Condition 6(e).

**“Company”** means, in respect of an Underlying Security, the issuer of the Underlying Security specified as such in the relevant Final Terms.

**“Control”** shall have the meaning contained in Condition 15(c)(v).

**“Currency-Reference Dealers”** means, in respect of any relevant day, that the Calculation Agent will request each of the FX Reference Dealers to provide a quotation of its rate at which it will buy one unit of the Base Currency in units of the Reference Currency at the applicable Valuation Time on such relevant day. If, for any such rate, at least two quotations are provided, the relevant rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided for any such rate, the relevant rate will be the arithmetic mean of the relevant rates quoted by major banks in the relevant market, selected by the Calculation Agent at or around the applicable Valuation Time on such relevant day.

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

- (i) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:
  - (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/365 (Sterling)”** is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **“Actual/360”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if **“30/360”, “360/360”** or **“Bond Basis”** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

**“Y<sub>1</sub>”** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**“Y<sub>2</sub>”** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**“M<sub>1</sub>”** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**“M<sub>2</sub>”** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case, D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case, D<sub>1</sub> will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case, D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case, D<sub>2</sub> will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case, D<sub>1</sub> will be 30; and

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

- (viii) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:
    - (x) the number of days in such Determination Period; and
    - (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

“**Delisting**” means, in respect of an Underlying Security, that the Exchange announces that, pursuant to the rules of such Exchange, the Underlying Security ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Underlying Security is no longer listed on an Exchange acceptable to the Issuer.

“**Delivery Agent**” means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) or, if different, as specified in the relevant Final Terms.

“**Delivery Day**” means, in respect of an Underlying Security, a day on which Underlying Securities comprised in the Underlying Security Amount may be delivered to Noteholders in the manner which the Calculation Agent has determined in its sole and absolute discretion to be appropriate.

“**Delivery Expenses**” means the expenses, including all costs, taxes, duties and/or expenses including stamp duty reserve tax and/or other costs, duties or taxes arising from or in connection with the delivery and/or transfer of any Underlying Securities Amount.

“**Delivery Notice**” means a written notice substantially in such form as the Issuer may determine, which must specify the name and address of the relevant Noteholder and the securities account in Euroclear, Clearstream, Luxembourg or other clearing system to be credited with the relevant Underlying Securities Amount and authorise the production of such notice in any applicable administrative or legal proceedings and copies may be obtained from any Agent.

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

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

“**Disrupted Day**” means (i) in respect of an Underlying Security or an Index, any Scheduled Trading Day on which (A) the Exchange fails to open for trading during its regular trading session,

(B) any Related Exchange fails to open for trading during its regular trading session or (C) a Market Disruption Event has occurred, (ii) in respect of a Multi-Exchange Index, the Index Sponsor fails to publish the level of the Index and (iii) in respect of an FX Rate, the occurrence or existence, as determined by the Calculation Agent, of any Price Source Disruption and/or Inconvertibility Event and/or any other event specified as an FX Disruption Event in the Final Terms.

**“Disruption Cash Settlement Price”** means, in respect of each Note, an amount in the Specified Currency equal to the fair market value of the Affected Underlying Securities less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

**“Disruption Fallback”** means, in respect of an FX Rate, Calculation Agent FX Determination, Currency-Reference Dealers, Fallback Reference Price and/or such other sources or methods specified as such or otherwise determined as an alternative basis for determining such FX Rate as may be specified in the relevant Final Terms. The applicable Disruption Fallback shall be as specified in the relevant Final Terms, and, if two or more Disruption Fallbacks are specified, unless otherwise provided in the Final Terms, such Disruption Fallbacks shall apply, in the order in which they are specified, such that if the Calculation Agent determines that the FX Rate cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

**“Documents”** shall have the meaning contained in Condition 15(c)(i)(a).

**“DTC”** shall mean the Depository Trust Company or any successor thereto.

**“Early Closure”** means (i) in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day and (ii) in respect of an Underlying Security, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Equity Linked Interest Note”** means a Note in respect of which the amount in respect of interest payable is calculated by reference to an Underlying Security and/or Underlying Securities and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“Equity Linked Note”** means an Equity Linked Interest Note or an Equity Linked Redemption Note.

**“Equity Linked Redemption Note”** means a Note in respect of which the amount in respect of principal payable is calculated by reference to an Underlying Security and/or Underlying Securities and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“Equity Valuation Date(s)”** means the date or dates specified as such in the relevant Final Terms or, if that day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading

Day unless such day is a Disrupted Day in the opinion of the Calculation Agent. If such day is a Disrupted Day, then the Equity Valuation Date shall be determined in accordance with Condition 8(b)(i).

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

**“Event of Default”** shall have the meaning contained in Condition 14.

**“Exchange”** means:

- (i) in respect of any securities comprised in an Index, each exchange or quotation system, (from time to time) on which, in the determination of the Index Sponsor for the purposes of that Index, such securities are listed, such other stock exchange or quotation system specified in the relevant Final Terms or notified from time to time to Noteholders in accordance with Condition 18 and (in any such case) any successor to such exchanges or quotation systems or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (ii) in respect of an Underlying Security, each exchange or quotation system specified as such for such Underlying Security in the relevant Final Terms or notified from time to time to Noteholders in accordance with Condition 18 and any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Security has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Security on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means, in respect of an Underlying Security or an Index, as the case may be, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means (i) in respect of an Underlying Security, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent in its sole and absolute discretion) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Security on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Security on any relevant Related Exchange and (ii) in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent in its sole and absolute discretion) the ability of market participants in general (A) to effect transactions in, or obtain market values for, in the case of a Multi-Exchange Index, any security comprised in the Index on any relevant Exchange or, in the case of any other Index, securities that comprise 20 per cent. or more of the level of the Index on any relevant Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

**“Exchangeable Bearer Notes”** shall have the meaning contained in Condition 2.

**“Exercise Notice”** shall have the meaning contained in Condition 7(e).

**“Extraordinary Dividend”** means, in respect of an Underlying Security, an amount specified or otherwise determined as specified in the relevant Final Terms. If no Extraordinary Dividend is specified or otherwise determined as specified in the relevant Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent in its sole and absolute discretion.

**“Fallback Reference Price”** means, in respect of any relevant day, that the Calculation Agent will determine the FX Rate on such relevant day on the basis of the exchange rate for one unit of the Base Currency in terms of the Reference Currency for such FX Rate, published by available recognised financial information vendors (as selected by the Calculation Agent) other than the applicable FX Price Source, at or around the applicable Valuation Time on such relevant day.

**“Fallback Valuation Date”** means, the date(s) specified as such in the relevant Final Terms, or, if no date is specified for the Fallback Valuation Date in the relevant Final Terms, then the Fallback Valuation Date for any date on which the FX Rate is required to be determined shall be the second Business Day prior to the next following date upon which any payment or delivery of assets may have to be made by the Issuer by reference to the FX Rate on such day.

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

**“Fixed Rate Interest Period”** means any period beginning and ending on the dates specified in the relevant Final Terms, which includes one or more Interest Periods in respect of which the Notes bear a fixed Rate of Interest.

**“Fixed Rate Note”** means a Note in respect of which the amount of interest payable is calculated by reference to Condition 6(a).

**“Floating Rate Interest Period”** means any period beginning and ending on the dates specified in the relevant Final Terms, which includes one or more Interest Periods in respect of which the Notes bear a floating Rate of Interest.

**“Floating Rate Note”** means a Note in respect of which the amount of interest payable is calculated by reference to Condition 6(b)(iii).

**“Fractional Amount”** means any fractional interest in one Underlying Security to which a Noteholder would be entitled pursuant to Condition 7(f)(ii).

**“Fractional Cash Amount”** means, in respect of each Note and in respect of Underlying Securities of a Company, the amount in the Specified Currency (rounded to the nearest smallest transferable Unit of such currency, half such a unit being rounded downwards) determined by the Calculation Agent in its sole and absolute discretion in accordance with the following formula:

Fractional Cash Amount = (the Reference Price x Fractional Amount x Underlying FX Rate).

Where:

**“Underlying FX Rate”** means, in respect of an Underlying Security, the prevailing spot rate determined by the Calculation Agent in its sole and absolute discretion as the number of units of the Specified Currency that could be bought with one unit of the currency in which the relevant Underlying Security is quoted on the relevant Exchange on the relevant Valuation Date.

**“FX Averaging Reference Date”** means, in respect of an FX Rate, each Initial FX Averaging Date or Averaging Date, subject to any adjustment in accordance with the FX Business Day Convention.

**“FX Business Day”** means, in respect of an FX Rate, each day (other than Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange in accordance with the practice of the foreign exchange market) in (i) the principal financial centre of the Reference Currency and (ii) the FX Financial Centres.

**“FX Business Day Convention”** means the convention for adjusting any FX Reference Date or other relevant date if it would otherwise fall on a day that is not an FX Business Day. If the relevant Final Terms specify, in respect of such FX Reference Date or other date, that:

- (i) **“Following”** shall apply to such FX Reference Date or other date, then, if the FX Scheduled Reference Date or other scheduled date corresponding to such date is not an FX Business Day, the FX Reference Date or other date will be the first following day that is an FX Business Day;
- (ii) **“Modified Following”** shall apply to such FX Reference Date or other date, then, if the FX Scheduled Reference Date or other scheduled date corresponding to such date is not an FX Business Day, the Reference Date or other date will be the first following day that is an FX Business Day unless that day falls in the next calendar month, in which case, that date will be the first preceding day that is an FX Business Day;
- (iii) **“Nearest”** shall apply to such FX Reference Date or other date, then, if the FX Scheduled Reference Date or other scheduled date corresponding to such date is not an FX Business Day, the FX Reference Date or other date will be (A) the first preceding day that is an FX Business Day if such date falls on a day other than a Sunday or Monday and (B) the first following day that is an FX Business Day if such date otherwise falls on a Sunday or Monday;
- (iv) **“Preceding”** shall apply to such FX Reference Date or other date, then, if the FX Scheduled Reference Date or other scheduled date corresponding to such date is not an FX Business Day, the FX Reference Date or other date will be the first preceding day that is an FX Business Day; or
- (v) **“No Adjustment”** shall apply to such FX Reference Date or other date, then, if the FX Scheduled Reference Date or other scheduled date corresponding to such date is not an FX Business Day, the FX Reference Date or other date will nonetheless be such FX Scheduled Reference Date or other scheduled date.

If the relevant Final Terms do not specify an applicable FX Business Day Convention, then it shall be deemed that “Following” shall apply.

**“FX Financial Centres”** means, in respect of each FX Rate, the financial centre(s) specified in the relevant Final Terms.

**“FX Interest Valuation Date”** means, in respect of an FX Rate, each date specified as such or otherwise determined as specified in the relevant Final Terms, subject to any adjustment in accordance with the FX Business Day Convention.

**“FX Linked Interest Note”** means a Note in respect of which the amount in respect of interest payable is calculated by reference to a foreign exchange rate and/or a basket of foreign exchange rates and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“FX Linked Note”** means an FX Linked Interest Note or an FX Linked Redemption Note.

**“FX Linked Redemption Note”** means a Note in respect of which the amount in respect of principal payable is calculated by reference to a foreign exchange rate and/or a basket of foreign

exchange rates and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“FX Price Source”** means the price source(s) specified in the relevant Final Terms for such FX Rate or, if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

**“FX Rate”** means, in respect of any relevant day, the exchange rate of one currency for another currency expressed as a number of units of the Reference Currency (or fractional amounts thereof) per unit of the Base Currency (and, if the relevant Final Terms specify a Number of FX Settlement Days, for settlement in the Number of FX Settlement Days reported and/or calculated and/or published by the FX Rate Sponsor), which appears on the FX Price Source at approximately the applicable Valuation Time on such day, or such other rate specified or otherwise determined as specified in the relevant Final Terms.

**“FX Rate Sponsor”** means, for any FX Rate, the entity specified as such in the relevant Final Terms.

**“FX Reference Date”** means, in respect of an FX Rate, each Initial FX Averaging Date, Initial FX Valuation Date, FX Interest Valuation Date or Averaging Date, subject to any adjustment in accordance with the FX Business Day Convention.

**“FX Reference Dealers”** means, in respect of each FX Rate, four leading dealers in the relevant foreign exchange market, as determined by the Calculation Agent or otherwise specified or determined as specified in the relevant Final Terms.

**“FX Scheduled Reference Date”** means, in respect of an FX Rate and any FX Reference Date, any original date that, but for such day not being an FX Business Day for such FX Rate, would have been such FX Reference Date.

**“FX Valuation Date”** means, in respect of an FX Rate, each date specified as such or otherwise determined as specified in the relevant Final Terms, subject to any adjustment in accordance with the FX Business Day Convention.

**“Hedging Disruption”** means the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying Security and/or Index and/or relevant FX Rate or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**“Holder”** shall have the meaning contained in Condition 2.

**“Inconvertibility Event”** means, in respect of an FX Rate, the occurrence of an event which affects the convertibility of the relevant Reference Currency into the Base Currency.

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying Security and/or Index and/or FX Rate or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Index” or “Indices”** means, subject to adjustment in accordance with Condition 9, the Index or Indices specified as such in the relevant Final Terms.

**“Index Cancellation”** means, in respect of an Index, that, on or prior to any Valuation Date, a relevant Index Sponsor cancels the Index and no Successor Index exists.

**“Index Disruption”** means, in respect of an Index, that, on any Valuation Date, the Index Sponsor fails to calculate and announce a relevant Index.

**“Index Linked Interest Note”** means a Note in respect of which the amount in respect of interest payable is calculated by reference to an Index and/or Indices and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“Index Linked Note”** means an Index Linked Interest Note and/or an Index Linked Redemption Note.

**“Index Linked Redemption Note”** means a Note in respect of which the amount in respect of principal payable is calculated by reference to an Index and/or Indices and/or a formula as agreed between the Issuer and the relevant Dealer(s), as indicated in the relevant Final Terms.

**“Index Modification”** means, in respect of an Index, that, on or prior to any Valuation Date, a relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events).

**“Index Sponsor”** means, in respect of an Index, the corporation or other entity specified as such in the relevant Final Terms.

**“Index Valuation Date(s)”** means the date or dates specified as such in the relevant Final Terms or if that day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless such day is a Disrupted Day in the opinion of the Calculation Agent. If such day is a Disrupted Day, then the Index Valuation Date shall be determined in accordance with Condition 9(c)(i).

**“Initial FX Averaging Date”** means, in respect of an FX Rate, each date specified as such or otherwise determined as specified in the relevant Final Terms, subject to any adjustment in accordance with the FX Business Day Convention.

**“Initial FX Valuation Date”** means, in respect of an FX Rate, each date specified as such or otherwise determined as specified in the relevant Final Terms, subject to any adjustment in accordance with the FX Business Day Convention.

**“Insolvency”** means, by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceedings affecting, a Company, at any time (i) all the Underlying Securities of such Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Securities of such Company become legally prohibited from transferring them.

**“Interest”** shall have the meaning contained in Condition 12.

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

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the relevant Final Terms.

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

**“Interest Payment Date”** means the date on which interest for the relevant period falls due.

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

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

**“Inverse Floating Rate Note”** means a Note in respect of which the amount of interest payable is calculated by reference to Condition 6(d).

**“ISDA Definitions”** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**“ISDA Rate”** has the meaning given in Condition 6(b)(iii)(A).

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

**“Market Disruption Event”** means (i) in respect of an Underlying Security, the occurrence or existence on any Scheduled Trading Day of any Trading Disruption or an Exchange Disruption, which, in either case, the Calculation Agent determines in its sole and absolute discretion is material at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or an Early Closure, and (ii) in respect of an Index, the occurrence or existence on any Scheduled Trading Day of a Trading Disruption or an Exchange Disruption, which, in either case, the Calculation Agent determines in its sole and absolute discretion is material at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or an Early Closure, provided that, in the case of a Multi-Exchange Index, the securities comprised in the Index in respect of which a Trading Disruption, Exchange Disruption or an Early Closure occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security/commodity included in the relevant

Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (A) the portion of the level of the relevant Index attributable to that security/commodity relative to (B) the overall level of the relevant Index, in each case, immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

**“Max”** means, when followed by two or more amounts and/or calculations inside brackets and each separated by a semi-colon, the greater of such amounts and/or calculations.

**“Merger Date”** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**“Merger Event”** means, in respect of any Underlying Securities, any (i) reclassification or change of such Underlying Securities that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Underlying Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Securities of the relevant Company that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Securities (other than such Underlying Securities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Underlying Securities outstanding but results in the outstanding Underlying Securities (other than Underlying Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Securities immediately following such event (a **“Reverse Merger”**), in each case, if the Merger Date is on or before the relevant Valuation Date.

**“Min”** means, when followed by two or more amounts and/or calculations inside brackets and each separated by a semi-colon, the lower of such amounts and/or calculations.

**“Multi-Exchange Index”** means an Index in respect of which there is more than one Exchange.

**“Nationalisation”** means the event in which all the assets or substantially all the assets of a Company or the Underlying Securities of such a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Noteholder”** shall have the meaning contained in Condition 2.

**“Number of FX Settlement Days”** means such number or amount as is specified in the relevant Final Terms.

**“Potential Adjustment Event”** means, with respect to any Company, any of the following:

- (i) a subdivision, consolidation or reclassification of the relevant Underlying Securities (unless resulting in a Merger Event) or a free distribution or dividend of any such Underlying Securities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Underlying Securities specified in the relevant Final Terms of (A) such Underlying Securities or (B) other share

capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Securities or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case, for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;

- (iii) an Extraordinary Dividend;
- (iv) a call by it in respect of any Underlying Securities that are not fully paid;
- (v) a repurchase by it or any of its subsidiaries of relevant Underlying Securities, whether out of profits or capital and whether the consideration for such repurchase is in cash, new shares, securities or otherwise;
- (vi) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent in its sole and absolute discretion, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Underlying Securities.

**“Presentation Date”** means the date specified in the relevant Final Terms.

**“Price Source Disruption”** means it becomes impossible or otherwise impracticable to obtain the FX Rate on the FX Reference Date (or, if different, the day on which rates for that FX Reference Date would, in the ordinary course, be published or announced by the relevant FX Price Source).

**“Principal”** shall have the meaning contained in Condition 12.

**“Range Accrual Note”** means a Note in respect of which the amount of interest is calculated by reference to Condition 6(f).

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

**“Record Date”** shall have the meaning contained in Condition 11(b)(ii).

**“Reference Banks”** means, in the case of a determination of LIBOR, LIBID and LIMEAN, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR or EONIA, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal London office of four major banks in the Stockholm inter-bank market, in the case of a Reference Rate other than LIBOR, LIBID, LIMEAN, EURIBOR, EONIA or STIBOR, the principal office of four major banks in such inter-bank market as may be specified in the relevant Final Terms, in each case, selected by the Calculation Agent or as specified in the relevant Final Terms.

**“Reference Currency”** means the currency specified as such in the relevant Final Terms.

**“Reference Level”** means:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent (or, if a Valuation Time other than the Scheduled Closing Time is specified in the relevant Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on the Valuation Date (as defined below) and, if specified in the relevant Final Terms, without regard to any subsequently published correction; and
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or, if a Valuation Time other than the Scheduled Closing Time is specified in the relevant Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time) on the Valuation Date and, if specified in the relevant Final Terms, without regard to any subsequently published correction.

**“Reference Price”** means:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Underlying Security, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) of the Underlying Security quoted on the relevant Exchange and, if specified in the relevant Final Terms, without regard to any subsequently published correction as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless the Valuation Date is a Disrupted Day, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) for the Underlying Security determined, at the Calculation Agent’s discretion, either by reference to the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Security or by reference to such other factors and source(s) as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the relevant Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Underlying Securities, an amount equal to the sum of the values calculated for each Underlying Security as the official closing price (or the price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) of the Underlying Security quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent and, if specified in the relevant Final Terms, without regard to any subsequently published correction or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless the Valuation Date is a Disrupted Day, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price (or the fair

market buying price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date, if a Valuation Time is specified in the relevant Final Terms) for the Underlying Security determined, at the Calculation Agent's discretion, either by reference to the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) in the trading of the Underlying Security or by reference to such other factors and source(s) as the Calculation Agent shall decide). Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

**"Reference Rate"** means LIBOR, LIBID, LIMEAN, EURIBOR, EONIA, STIBOR or, in the case of Exempt Notes only, such other rate specified as such in the relevant Final Terms.

**"Register"** shall have the meaning contained in Condition 2.

**"Registered Notes"** shall have the meaning contained in Condition 2.

**"Related Exchange"** means, in respect of an Underlying Security or Index, as the case may be, each exchange or quotation system (as specified in the relevant Final Terms or notified from time to time to Noteholders in accordance with Condition 18), if any, on which the Underlying Security or index, is traded or quoted, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Security or Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Security or Index on such temporary substitute exchange or quotation system as on the original Related Exchange) and as may be selected from time to time by the Calculation Agent, provided that, where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Security or Index.

**"Relevant Date"** shall have the meaning contained in Condition 12.

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

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

**"Restricted Global Certificate"** shall mean a permanent registered global certificate which will initially represent Registered Notes issued by Rabobank Nederland which are sold in the United States to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933 (the **"Securities Act"**).

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

**"Reverse Merger"** has the meaning specified in the definition of "Merger Event".

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange and Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the hours of the regular trading session.

**“Scheduled Trading Day”** means, (i) in respect of an Underlying Security or an Index (other than a Multi-Exchange Index), any day on which each Exchange and Related Exchange are scheduled to be open for trading for their respective trading sessions, and (ii) in respect of a Multi-Exchange Index, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its respective trading session.

**“Scheduled Valuation Date”** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**“Screen Rate Determination”** means the manner in which the Rate of Interest is to be determined contained in Condition 6(b)(iii)(B).

**“Settlement Disruption Event”** means, in respect of any Series, (i) an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of (one of) the Underlying Securities comprised in any Underlying Securities Amount by or on behalf of the Issuer, in accordance with these Conditions and/or relevant Final Terms, is not practicable; or (ii) the existence of any prohibition or material restriction imposed by applicable law (or by order, decree or regulation of any governmental entity, stock exchange or self-regulating body having jurisdiction), including prohibitions or restrictions resulting from action taken or not taken by the Issuer and/or any Affiliate of the Issuer on the ability of the Issuer or any of its Affiliates engaged in hedging transactions relating to the Underlying Securities to transfer the Underlying Securities or a particular class of Underlying Securities comprised in any Underlying Securities Amount.

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

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

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

**“Substituted Debtor”** shall have the meaning contained in Condition 15(c)(i).

**“Successor Index”** shall have the meaning contained in Condition 9(a).

**“Successor Index Sponsor”** shall have the meaning contained in Condition 9(a).

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

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

**“Tender Offer”** means, in respect of any Underlying Security, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Company, as determined by the Calculation Agent, in its sole and absolute discretion, based upon the making of filings with governmental or self-regulatory agencies, or such other information as the Calculation Agent determines to be relevant.

**“Tender Offer Date”** means, in respect of a Tender Offer, the date on which voting shares in the amount of applicable thresholds are actually purchased or otherwise obtained, as determined by the Calculation Agent in its sole and absolute discretion.

**“Trading Disruption”** means (i) in respect of an Underlying Security, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (A) relating to the Underlying Security on the Exchange or (B) in futures or options contracts relating to the Underlying Security on any relevant Related Exchange, and (ii) in respect of an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (A) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any security comprised in the Index or (in the case of any other Index) securities that compromise 20 per cent. or more of the level of the relevant Index or (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

**“Underlying Securities”** means the shares or other securities or different classes of shares or other securities specified as such in the relevant Final Terms.

**“Underlying Securities Amount”** means, subject to Conditions 7 and 8, in respect of each Note, the amount of Underlying Securities so specified in the relevant Final Terms.

**“Underlying Securities Delivery Date”** means, in respect of an Underlying Security, subject to Condition 7, the Maturity Date or, if such day is not a Delivery Day, the first succeeding day that is a Delivery Day.

**“Unit”** shall have the meaning contained in Condition 6(p)(v).

**“Valid Date”** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**“Valuation Date”** means each Equity Valuation Date, Index Valuation Date, FX Valuation Date and Averaging Date, as applicable.

**“Valuation Time”** means the time specified as such in the relevant Final Terms or, if no such time is specified (i) in respect of an Underlying Security, the close of trading on the relevant Exchange in relation to that Underlying Security, or (ii) in respect of an Index, the time with reference to which the Index Sponsor calculates the closing level of the Index, or (iii) in respect of an FX Rate, the time with reference to which the FX Rate Sponsor calculates the closing rate of such FX Rate or, in each case, such other time as the Calculation Agent may select and as notified to Noteholders by the Issuer in accordance with Condition 18. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

**“Variable Rate Note”** means a Note in respect of which the amount of interest payable is calculated by reference to Condition 6(c).

**“Zero Coupon Note”** means a Note in respect of which the amount of principal payable is calculated by reference to Condition 7(b).

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

## 2 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”), in each case, in the Specified Denomination(s) shown in the relevant Final Terms.

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note may be a Fixed Rate Note, a Floating Rate Note, an Inverse Floating Rate Note, a Variable Rate Note, a CMS Linked Note, a Range Accrual Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Note, an Equity Linked Note, an FX Linked Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case, references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 3(c), each Certificate shall represent the entire holding of Registered Notes by the same holder. Notes issued by Rabobank Nederland and sold in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by a Restricted Global Certificate in registered form.

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

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

### **3 Exchanges of Exchangeable Bearer Notes and transfers of Registered Notes**

#### **(a) Exchange of Exchangeable Bearer Notes**

Subject as provided in Condition 3(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that, where an Exchangeable Bearer Note is surrendered for exchange after the Record Date for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another

Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

**(b) *Transfer of Registered Notes***

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

**(c) *Exercise of Options or partial redemption in respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholder's option, or a partial redemption of Registered Notes, in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) *Delivery of new Certificates***

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

**(e) *Exchange free of charge***

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be

imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(f) *Closed periods***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(d), or (iii) after any such Note has been called for redemption. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

**4 Status of Notes**

The Notes and the Receipts and Coupons relating to them constitute unsubordinated and (subject to Condition 5) unsecured obligations of the Issuer and such Notes or, as the case may be, Receipts and Coupons of that Issuer shall, at all times, rank *pari passu* and without any preference among themselves (save for certain mandatory exceptions provided by law). The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable law and subject to Condition 5, at all times, rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

**5 Negative Pledge**

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement), the Issuer undertakes not to secure any of its other indebtedness, whether present or future, which is both (a) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (b) not Domestic Indebtedness.

In this Condition 5, “**Domestic Indebtedness**” means the indebtedness as referred to under (a) above of the Issuer which is denominated or payable (at the option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside the Netherlands.

**6 Interest and other calculations**

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

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(q).

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

**(b) Rate of Interest on Floating Rate Notes, Inverse Floating Rate Notes, Variable Rate Notes, Range Accrual Notes, CMS Linked Notes, Index Linked Interest Notes, Equity Linked Interest Notes and FX Linked Interest Notes**

- (i) *Interest Payment Dates:* Each Floating Rate Note, Inverse Floating Rate Note, Variable Rate Note, Range Accrual Note, CMS Linked Note, Index Linked Interest Note, Equity Linked Interest Note and FX Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(q). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, and for the purposes of Notes other than Fixed Rate Notes, "**Interest Payment Date**" shall mean each date which falls the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest on Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination which may be specified in the relevant Final Terms shall apply if specified in the relevant Final Terms.

**(A) ISDA Determination for Floating Rate Notes**

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

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and

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

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

*(B) Screen Rate Determination for Floating Rate Notes*

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

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, LIBID and LIMEAN, Brussels time in the case of EURIBOR or EONIA or Stockholm time in the case of STIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (w) If the Relevant Screen Page is not available or, if sub-paragraph (v)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (v)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below and in Condition 6(b)(iii)(B)(z), the Calculation Agent shall request, if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, the principal London office of each of the Reference Banks, (ii) EURIBOR or EONIA, the principal Euro-zone office of each of the Reference Banks, or (iii) STIBOR, the principal Stockholm office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, at approximately 11.00 a.m. (London time), (ii) EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time), or (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (x) If paragraph (w) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more

of them, at which such banks were offered, if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, at approximately 11.00 a.m. (London time), (ii) EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time), or (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, the London interbank market, (ii) EURIBOR or EONIA, the Euro-zone inter-bank market, or (iii) STIBOR, the Stockholm inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, at approximately 11.00 a.m. (London time), (ii) EURIBOR or EONIA, at approximately 11.00 a.m. (Brussels time), or (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is (i) LIBOR, LIBID or LIMEAN, the London inter-bank market, (ii) EURIBOR or EONIA, the Euro-zone inter-bank market, or (iii) STIBOR, the Stockholm inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(y) *Alternative Reference Rates:* If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR, LIBID, LIMEAN, EURIBOR, EONIA or STIBOR, the relevant Final Terms may specify that the Rate of Interest in respect of such Notes will be determined either:

- (A) in accordance with the foregoing procedures in paragraphs (v), (w) and (x) of Condition 6(b)(iii)(B), save that references to the relevant Reference Rate, the time at which such Reference Rate shall be observed on the Relevant Screen Page and the location of the Reference Banks shall be amended as may be specified in the relevant Final Terms; or
- (B) in the case of Exempt Notes only, in accordance with such other procedures as may be specified in the relevant Final Terms.

(z) *Alternative fallback provisions:* If so specified in the relevant Final Terms, the fallback provisions set out in paragraph (A) or (B) below shall be applicable

(as specified in the relevant Final Terms), or such other fallback provisions as may be specified in the relevant Final Terms shall apply, and in each case, the provisions of paragraphs (w) and (x) of Condition 6(b)(iii)(B) above shall not apply:

- (A) If the Relevant Screen Page is not available or, if sub-paragraph (v)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (v)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Calculation Agent shall determine the relevant Reference Rate for that date in its sole discretion, taking into consideration all available information that it in good faith deems appropriate; or
- (B) If the Relevant Screen Page is not available or, if sub-paragraph (v)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (v)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Calculation Agent will request the principal office of five major banks who will provide quotations for such rate using such rate as may be specified in the relevant Final Terms or selected by the Calculation Agent. If five quotations are provided, the rate will be calculated by eliminating the highest (or, in the event of equality, one of the highest) and lowest (or, in the event of equality, one of the lowest) quotations and taking the arithmetic mean of the remaining quotations. If at least three, but fewer than five, quotations are provided, the rate will be the arithmetic mean of the quotations obtained. If fewer than three quotations are provided as requested, the rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(C) *Formulaic determination for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes may also be determined by application of one or more of the formulae specified in Condition 6(d)(ii) below, where the Gearing Factor (as defined therein) is a negative number.

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

In respect of any Notes which include a Fixed Rate Interest Period and a Floating Rate Interest Period, the Rate of Interest in respect of each Interest Accrual Period shall be determined in accordance with Conditions 6(a) and 6(b) respectively.

The relevant Final Terms may specify one or more dates upon which, at the option of the Issuer, having given not less than five Business Days' notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), (i) the Fixed Rate Interest Period shall end and the Floating Rate Interest Period shall begin or (ii) the Floating Rate Interest Period shall end and the Fixed Rate Interest Period shall begin, as the case may be.

(d) **Rate of Interest on Inverse Floating Rate Notes**

The Rate of Interest in respect of Inverse Floating Rate Notes for each Interest Accrual Period shall be determined as set out below, or, in the case of Exempt Notes only, in the manner specified in the relevant Final Terms:

- (i) by subtracting from the Margin, the relevant Reference Rate or Floating Rate Option (as the case may be); or
- (ii) by applying one of the following formulae, as specified in the relevant Final Terms:
  - (A) Rate of Interest = Margin – (Gearing Factor x Inverse Rate);
  - (B) Rate of Interest = Previous Coupon + (Gearing Factor x (Inverse Rate – Margin));
  - (C) Rate of Interest = (Previous Coupon + Margin) – (Gearing Factors x Inverse Rate);
  - (D) Rate of Interest = Gearing Factor x Max[(Margin – Inverse Rate); Minimum Rate of Interest]; or
  - (E) Rate of Interest = Max[(Previous Coupon + Margin – Inverse Rate); Minimum Rate of Interest],

where:

**“Gearing Factor”** has the meaning specified in the relevant Final Terms;

**“Inverse Rate”** means the relevant Reference Rate or Floating Rate Option as specified in the relevant Final Terms, which may, if so specified in the relevant Final Terms, be calculated by reference to the mathematical difference between, or sum of, two Reference Rates and/or Floating Rate Options, as the case may be; and

**“Previous Coupon”** means the Rate of Interest calculated in respect of the immediately preceding Interest Period (if any), or such other Interest Period as may be specified in the relevant Final Terms. In respect of the Interest Period commencing on the Interest Commencement Date, the Previous Coupon shall have the meaning specified in the relevant Final Terms.

Where “Screen Rate Determination” and/or “ISDA Determination” is/are specified to be applicable in the relevant Final Terms, the relevant provisions of Condition 6(b)(ii) shall apply as though references to Floating Rate Notes were references to Inverse Floating Rate Notes.

**(e) *Rate of Interest on CMS Linked Notes***

- (i) The Rate of Interest in respect of CMS Linked Notes for each Interest Accrual Period shall be determined or by applying one of the following formulae, as specified in the relevant Final Terms, or, in the case of Exempt Notes only, in the manner specified in the relevant Final Terms:
  - (A) Rate of Interest = Max[(Gearing Factor x CMS Rate); Minimum Rate of Interest];
  - (B) Rate of Interest = Gearing Factor x CMS Rate;
  - (C) Rate of Interest = (Gearing Factor x CMS Rate) + Margin;
  - (D) Rate of Interest = Gearing Factor x (CMS Rate – Margin);
  - (E) Rate of Interest = Gearing Factor x [Max(0; CMS Rate – Margin<sub>1</sub>) – Max(0; CMS Rate – Margin<sub>2</sub>)];
  - (F) Rate of Interest = Gearing x (CMS Rate<sub>1</sub>; Gearing x CMS Rate<sub>2</sub> + Margin);
  - (G) Rate of Interest = Gearing x (CMS Rate<sub>1</sub> – CMS Rate<sub>2</sub> + Margin);
  - (H) Rate of Interest = CMS Rate<sub>1</sub> – (CMS Rate<sub>2</sub> x Gearing Factor);
  - (I) Rate of Interest = (CMS Rate<sub>1</sub> – (Gearing Factor x CMS Rate<sub>2</sub>)) + Margin;

- (J) Rate of Interest =  $\text{Min}[(\text{Applicable Rate} + \text{Margin}); \text{Gearing Factor}(\text{CMS Rate}_1 - \text{CMS Rate}_2)]$ ;
- (K) Rate of Interest =  $\text{Min}[\text{CMS Rate}_1; \text{Applicable Rate}] - \text{CMS Rate}_2 - \text{Margin}$ ;
- (L) Rate of Interest =  $\text{Min}[\text{Gearing}_1 \times \text{Applicable Rate} + \text{Margin}_1; \text{Gearing}_2 \times (\text{CMS Rate}_1 - \text{CMS Rate}_2 + \text{Margin}_2)]$ ;
- (M) Rate of Interest =  $(1 + \text{CMS Rate} - \text{Margin})^n - 1$ ;

where:

**“Applicable Rate”** has the meaning (expressed as a percentage) specified in the relevant Final Terms, and may, if so specified in the relevant Final Terms, be (x) an absolute value, (y) calculated based upon one or more Reference Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y);

**“CMS Rate”**, **“CMS Rate<sub>1</sub>”** and **“CMS Rate<sub>2</sub>”** means the relevant Reference Rate(s) or Floating Rate Option(s) as specified in the relevant Final Terms, which may, if so specified in the relevant Final Terms, be calculated by reference to the mathematical difference between, or sum of, two Reference Rates or Floating Rate Options, or by applying one of the formulae specified in sub-paragraphs (A) to (J) above;

**“Gearing Factor”** has the meaning specified in the relevant Final Terms;

**“Margin<sub>1</sub>”** and **“Margin<sub>2</sub>”** have the meanings specified in the relevant Final Terms;

**“n”** has the meaning specified in the relevant Final Terms; and

**“Previous Coupon”** has the meaning specified in Condition 6(d).

- (ii) If so specified in the relevant Final Terms, the Rate of Interest which is applicable with respect to one or more Interest Periods may be conditional upon a specified CMS Rate being equal to or greater than a pre-determined rate on the relevant Interest Determination Date. Any such rate shall be specified in the relevant Final Terms.
- (iii) Where “Screen Rate Determination” and/or “ISDA Determination” is/are specified to be applicable in the relevant Final Terms, the relevant provisions of Condition 6(b)(iii) shall apply as though references to Floating Rate Notes were references to CMS Linked Notes.

**(f) Rate of Interest on Range Accrual Notes**

- (i) The Rate of Interest in respect of Range Accrual Notes for each Interest Accrual Period shall be determined by applying one of the following formulae, as specified in the relevant Final Terms, or in the case of Exempt Notes only, in the manner specified in the relevant Final Terms:
  - (A) Rate of Interest = Applicable Rate  $\times (n/N)$ ;
  - (B) Rate of Interest =  $\text{Min}[(\text{Gearing Factor} \times \text{Applicable Rate}); \text{Minimum Applicable Rate}] \times (n/N)$ ; or
  - (C) Rate of Interest =  $((\text{Applicable Rate} \times n) + \text{Margin}) \times (n_{\max}/N)$ ,

where:

**“Accrual Range”** has the meaning specified in the relevant Final Terms, and the upper and/or lower limits of such range may, if so specified in the relevant Final Terms, be defined

by reference to the mathematical difference between the absolute values of two or more Reference Rates or Floating Rate Options (as the case may be);

**“Applicable Rate”** has the meaning (expressed as a percentage) specified in the relevant Final Terms, and may, if so specified in the relevant Final Terms, be (x) an absolute value, (y) calculated based upon one or more Reference Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y);

**“Business Day”** shall have the meaning set out in Condition 1, or such other meaning as may be specified in the relevant Final Terms;

**“Fixing Day”** means each calendar day during the relevant Interest Period, or such other day or days as may be specified in the relevant Final Terms;

**“Gearing Factor”** shall have the meaning specified in the relevant Final Terms;

**“Minimum Applicable Rate”** has the meaning specified in the relevant Final Terms, and may, if so specified in the relevant Final Terms, be (x) an absolute value, (y) calculated based upon one or more Reference Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y);

**“N”** means the total number of Fixing Days in the relevant Interest Period;

**“n”** means the number of Fixing Days where the Reference Rate or Floating Rate Option, as the case may be, falls inside or outside the Accrual Range (as specified in the relevant Final Terms), provided that:

- (A) for any Fixing Day which is not a Business Day and which falls during the relevant Interest Period, the relevant Reference Rate or Floating Rate Option, as the case may be, for such day will be deemed to be the relevant Reference Rate or Floating Rate Option as at the immediately preceding Business Day;
- (B) for each Fixing Day following the Rate Cut-off Date, the relevant Reference Rate or Floating Rate Option, as the case may be, will be deemed to be the relevant Reference Rate or Floating Rate Option as at the Rate Cut-off Date; and
- (C) if the Reference Rate or Floating Rate Option is equal to the upper or lower limits of the Accrual Range, it shall be deemed to fall inside such Accrual Range;

**“n<sub>max</sub>”** means the number of Fixing Days in the relevant Interest Period where the Reference Rate or Floating Rate Option, as the case may be, is greater than the upper limit of the Accrual Range; and

**“Rate Cut-off Date”** means the date that is five Fixing Days prior to the relevant Specified Interest Payment Date (or such other number of Fixing Days as may be specified in the relevant Final Terms).

- (ii) Where “Screen Rate Determination” and/or “ISDA Determination” is/are specified to be applicable in the relevant Final Terms, the relevant provisions of Condition 6(b)(iii) shall apply as though references to Floating Rate Notes were references to Range Accrual Notes.

**(g) Rate of Interest on Index Linked Interest Notes**

Index Linked Interest Notes may only be issued as Exempt Notes. The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or a Basket of Indices or formula as specified in the relevant Final Terms.

**(h) Rate of Interest on Equity Linked Interest Notes**

Equity Linked Interest Notes may only be issued as Exempt Notes. In the case of Equity Linked Notes, the Rate of Interest or amount of interest payable in respect of each Interest Accrual Period or on each Specified Interest Payment Date, as the case may be, shall be determined by reference to an Underlying Security or a Basket of Underlying Securities or formula in the manner specified in the relevant Final Terms.

**(i) Rate of Interest on FX Linked Interest Notes**

FX Linked Interest Notes may only be issued as Exempt Notes. The following provisions apply to FX Linked Interest Notes:

(i) In the case of FX Linked Interest Notes, the Rate of Interest or amount of interest payable in respect of each Interest Accrual Period or on each Specified Interest Payment Date, as the case may be, shall be determined by reference to an FX Rate and/or a basket of FX Rates and/or a formula, as indicated in the relevant Final Terms, or in accordance with one of the following formulae:

- (A) Rate of Interest =  $Rate_1 \times (FX_n/FX_o) - Rate_2$ ; or
- (B) Rate of Interest =  $Rate_1 \times (FX_n/FX_o)$ ,

where:

“**Base Currency**” has the meaning specified in the relevant Final Terms;

“**FX<sub>n</sub>**” means the bid rate of the relevant FX Rate published on the Relevant Screen Page on the FX Determination Date, at such time as may be specified in the relevant Final Terms;

“**FX<sub>o</sub>**” has the meaning specified in the relevant Final Terms;

“**FX Determination Date**” means the day which is 10 Business Days prior to each Interest Payment Date (or such other date as may be specified in the relevant Final Terms);

“**FX Rate**” means the exchange rate between the Base Currency and the Reference Currency, expressed as the number of integral currency units of the Base Currency, or part thereof, which can be purchased with a single integral currency unit of the Reference Currency;

“**Rate<sub>1</sub>**” and “**Rate<sub>2</sub>**” refer to the Rates of Interest specified in the relevant Final Terms and may, if so specified in the relevant Final Terms, be (x) an absolute value, (y) calculated based upon one or more Reference Rates or Floating Rate Options (as may be specified in the relevant Final Terms) or (z) a combination of (x) and (y);

“**Reference Currency**” has the meaning specified in the relevant Final Terms; and

“**Relevant Screen Page**” means the display page so designated on the service specified in the relevant Final Terms (or such other page as may replace that page on that service (or replace such services) for the purposes of displaying an exchange rate comparable to such rate, as determined by the Calculation Agent).

(ii) If FX Range Notes is specified to be applicable in the relevant Final Terms, the Rate of Interest in respect of each Interest Period will be equal to Rate<sub>1</sub>, unless the Spot Rate (as determined by the Calculation Agent) equals or exceeds the Maximum Currency Rate or equals or falls below the Minimum Currency Rate at any time during the Observation Period, in which case, it will be equal to Rate<sub>2</sub>,

where:

“**Currency Pair**” has the meaning specified in the relevant Final Terms;

“**Maximum Currency Rate**” has the meaning specified in the relevant Final Terms;

“**Minimum Currency Rate**” has the meaning specified in the relevant Final Terms;

“**Observation Period**” means each Interest Period, or such other period as may be specified in the relevant Final Terms;

“**Rate<sub>1</sub>**” and “**Rate<sub>2</sub>**” have the meanings specified in the relevant Final Terms;

“**Spot Market**” means the global spot foreign exchange market, which shall be treated as being open continuously from 5.00 a.m. Sydney time on a Monday in any week to 5.00 p.m. New York time on the Friday of that week; and

“**Spot Rate**” means the rates for the exchange of the Currency Pair in the Spot Market for foreign exchange transactions.

**(j) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).

**(k) Dual Currency Notes**

Dual Currency Notes may only be issued as Exempt Notes. In the case of Dual Currency Notes, if the rate or amount of interest fails to be determined by reference to a Rate of Exchange or a method of calculating the Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

**(l) Partly Paid Notes**

Partly Paid Notes may only be issued as Exempt Notes. In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

**(m) Accrual of interest**

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date (as defined in Condition 12).

**(n) Interest Trigger Event**

If Interest Trigger Event is specified to be applicable in the relevant Final Terms, the following provisions shall apply, in each case, as may be amended in the relevant Final Terms:

(i) In respect of all Interest Periods beginning on or after such date as may be specified in the relevant Final Terms, and ending on the Interest Payment Date immediately following the occurrence of an Interest Trigger Event, the Rate of Interest shall be the Initial Rate of Interest.

- (ii) Following the occurrence of an Interest Trigger Event, the Rate of Interest for all subsequent Interest Periods (excluding the Interest Period in which the Trigger Event occurred) shall be the Reset Rate of Interest.
- (iii) If an Interest Trigger Event does not occur, the Interest Amount payable on the Maturity Date shall be calculated in accordance with Condition 6(p)(iv).

For the purposes of this Condition 6(n):

**“Aggregate Interest Amount”** means, in respect of an Interest Payment Date (the “**Relevant Interest Payment Date**”), the sum of all Interest Amounts paid per Calculation Amount, during the period beginning on (and including) the Interest Commencement Date, to (and including) the Interest Payment Date immediately preceding the Relevant Interest Payment Date, plus the Interest Amount due on the Relevant Interest Payment Date;

**“Initial Rate of Interest”** shall have the meaning specified in the relevant Final Terms;

**“Interest Trigger Event”** means, in respect of an Interest Payment Date, the Aggregate Interest Amount on such Interest Payment Date being equal to or greater than the Minimum Interest Amount;

**“Minimum Interest Amount”** means the minimum aggregate amount of interest payable per Calculation Amount during the period beginning on (and including) the Interest Commencement Date, to (and including) the Maturity Date, as specified in the relevant Final Terms; and

**“Reset Rate of Interest”** shall have the meaning specified in the relevant Final Terms.

**(o) Knock-in Event**

If Knock-in Event is specified to be applicable in the relevant Final Terms, the following provisions shall apply, in each case, as may be amended in the relevant Final Terms:

- (i) For each Interest Period in respect of which a Knock-in Event does not occur during the relevant Reference Period or at the applicable Reference Time (as the case may be), the Rate of Interest shall be the Initial Rate of Interest.
- (ii) For each Interest Period in respect of which the Calculation Agent determines that a Knock-in Event has occurred during the relevant Reference Period or at the applicable Reference Time (as the case may be), the Rate of Interest shall be the Reset Rate of Interest.

For the purposes of this Condition 6(o):

**“Initial Rate of Interest”** shall have the meaning specified in the relevant Final Terms;

**“Knock-in Barrier”** has the meaning specified in the relevant Final Terms;

**“Knock-in Event”** means, at any time during the Reference Period or at the Reference Time (as specified in the relevant Final Terms), the Relevant Rate is equal to or greater than the Knock-in Barrier or, if so specified in the relevant Final Terms, less than the Knock-in Barrier;

**“Reference Period”** means the period from (and including) the fifth Business Day prior to the start of the relevant Interest Period to (but excluding) the fifth Business Day prior to the end of such Interest Period, or such other period as may be specified in the relevant Final Terms;

**“Reference Time”** means the time and date at which the Relevant Rate is determined by the Calculation Agent;

**“Relevant Rate”** means the relevant Reference Rate, Floating Rate Option, Inverse Rate, CMS Rate, FX Rate or such other rate as may be specified in the relevant Final Terms; and

“Reset Rate of Interest” shall have the meaning specified in the relevant Final Terms.

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

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 6(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin; subject always to the next paragraph. Any such Margin may, if so specified in the relevant Final Terms, be (x) an absolute value, (y) calculated based upon one or more Reference Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y).
- (ii) If any Maximum or Minimum Rate of Interest, Maximum or Minimum Interest Amount, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Interest Amount, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) Any such Maximum or Minimum Rate of Interest may, if so specified in the relevant Final Terms, be determined by reference to (w) one or more Reference Rates and/or Floating Rate Options, (x) a multiple of one or more Reference Rates and/or Floating Rate Options, (y) the mathematical difference between, or the product or sum of, two or more Reference Rates and/or Floating Rate Options and/or (z) any combination of (x), (y) and (z).
- (iv) Where a Minimum Interest Amount is specified in the relevant Final Terms, and the aggregate amount of all Interest Amounts paid per Calculation Amount prior to the Maturity Date is less than such Minimum Interest Amount, the Interest Amount to be paid on the Maturity Date shall be equal to the difference between the Minimum Interest Amount and the aggregate of all Interest Amounts paid per Calculation Amount prior to the Maturity Date.
- (v) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen, unless otherwise specified in the relevant Final Terms. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

**(q) Calculations**

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

Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(r) *Determination and publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Obligatory Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Obligatory Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Obligatory Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 14, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 6 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(s) *Calculation Agent***

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

## 7 Redemption, purchase and options

### (a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date at its Final Redemption Amount (which, unless otherwise provided in these Terms and Conditions or in the relevant Final Terms, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### (b) *Early Redemption*

- (i) Zero Coupon Notes
  - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7(c), 7(d), 7(e) or 7(j) or upon it becoming due and payable as provided in Condition 14 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
  - (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
  - (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(c), 7(d), 7(e) or 7(j) or upon it becoming due and payable as provided in Condition 14 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph (C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case, the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(m).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in sub-paragraph (i) above), upon redemption of such Note pursuant to Condition 7(c), 7(d), 7(e) or 7(j) or upon it becoming due and payable as provided in Condition 14, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.
- (iii) *Obligatory Redemption*: If the Calculation Agent determines that an Obligatory Redemption Event has occurred or will occur in relation to any Interest Payment Date falling on or after the Obligatory Redemption Commencement Date but prior to the Maturity Date, the Issuer shall give not less than five Business Days' notice (or such other period as may be specified in the relevant Final Terms) of such determination to Noteholders in accordance with Condition 18 and shall redeem all (but not some only) of the Notes on such Interest Payment Date at the Obligatory Redemption Amount.

For the purposes of this Condition 7(b)(iii):

**“Aggregate Interest Amount”** has the meaning specified in Condition 6(n);

**“Maximum Interest Amount”** means the maximum aggregate amount of interest payable per Calculation Amount during the period beginning on (and including) the Interest Commencement Date, to (and including) the Maturity Date, as specified in the relevant Final Terms;

**“Obligatory Redemption Amount”** has the meaning specified in the relevant Final Terms;

**“Obligatory Redemption Commencement Date”** has the meaning specified in the relevant Final Terms; and

**“Obligatory Redemption Event”** means, in respect of an Interest Payment Date, the Aggregate Interest Amount on such Interest Payment Date being equal to or greater than the Maximum Interest Amount.

**(c) *Redemption for taxation reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note or an FX Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note nor an FX Linked Interest Note) on giving not less than 30 nor more than 45 days' notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 as a result of any change in, or amendment to, the laws or regulations of the Netherlands, in respect of any Issuer, Australia in respect of Rabobank Australia Branch and Singapore in respect of Rabobank Singapore Branch or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing

that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

**(d) *Redemption at the option of the Issuer***

(i) If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 7.

(ii) In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

If so specified in the relevant Final Terms, the following provisions shall apply for the purposes of calculating the Optional Redemption Amount:

(A) Where the Reference Rate on an Observation Date is equal to or less than the Strike Rate, the Optional Redemption Amount per Calculation Amount which is payable on any redemption on the immediately following Optional Redemption Date shall be calculated by the Calculation Agent, using the following formula:

$$\text{Optional Redemption Amount} = \text{Calculation Amount} \times (100 \text{ per cent.} + (X \times n))$$

where:

“**n**” means, with respect to an Observation Date, the number of Observation Dates during the period from (and including) the Issue Date to (and including) such Observation Date;

“**Observation Date**” means, in relation to any Optional Redemption Date, the date which is five Business Days prior to such Optional Redemption Date (or such other date as may be specified in the relevant Final Terms);

“**Reference Rate**” has the meaning specified in the relevant Final Terms;

“**Strike Rate**” has the meaning specified in the relevant Final Terms; and

“**X**” has the meaning (expressed as a percentage) specified in the relevant Final Terms.

(B) Where the Reference Rate on an Observation Date is greater than the Strike Rate, the Optional Redemption Amount per Calculation Amount which is payable on the

immediately following Optional Redemption Date shall be 100 per cent. of such Calculation Amount.

**(e) *Redemption at the option of Noteholders***

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)) together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) *Delivery of Underlying Securities***

(i) If Physical Settlement is specified as applicable in the relevant Final Terms, the Notes will be redeemed by way of delivery of Underlying Securities and the Issuer will transfer, or procure the delivery by the Delivery Agent of, in respect of each Note, the Underlying Securities Amount to or to the order of the Noteholder (as specified by the Noteholder). In order to obtain delivery of the Underlying Securities Amount, the relevant Noteholder must deliver to any Paying Agent, on or before the Presentation Date, the relevant Note(s) and a duly completed Delivery Notice. No Delivery Notice may be withdrawn after receipt thereof by a Paying Agent. Any determination as to whether such notice has been properly completed and delivered shall be made by the relevant Paying Agent, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder. If the relevant Note and the related Delivery Notice are delivered or are deemed to be delivered to any Paying Agent on a day that is not a Business Day, such Note and Delivery Notice shall be deemed to be delivered on the next following Business Day.

If the holder of a Note does not deliver the Note and a Delivery Notice, in each case, as set out above, on or before the Presentation Date as provided above, then the Issuer shall have no obligation to make delivery of the Underlying Securities Amount in respect of such Note unless and until a duly completed Delivery Notice (together with the relevant Note) are each delivered as provided above and delivery of such Underlying Securities Amount shall be made as soon as possible thereafter but not earlier than the Underlying Securities Delivery Date.

All Delivery Expenses shall, be for the account of the relevant Noteholder and no delivery and/or transfer of any Underlying Securities Amount shall be required to be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by such Noteholder.

For the avoidance of doubt, the relevant holder of a Note shall not be entitled to any additional or further payment by reason of the delivery of the Underlying Securities Amount in respect of such Note occurring after the Underlying Securities Delivery Date as a result of such Delivery Notice or Note being delivered after the Presentation Date.

The Issuer shall on the Underlying Securities Delivery Date, deliver or procure the delivery of the Underlying Securities Amount in respect of each Note to such account at Clearstream, Luxembourg, Euroclear or the other clearing system as may be specified in the relevant Delivery Notice at the risk and expense of the relevant Noteholder. As used herein, “**delivery**” in relation to any Underlying Securities Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Underlying Securities Amount in accordance with the relevant Delivery Notice and “**deliver**” shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Underlying Securities Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars, incompatible or incorrect information being contained in the Delivery Notice or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Underlying Securities comprising the Underlying Securities Amount or any interest therein by any Noteholder or any other person.

Noteholders should note that the actual date on which they become holders of the Underlying Securities comprising the Underlying Securities Amount will depend, among other factors, on the procedures of the relevant clearing systems and share registrar and the effect of any Settlement Disruption Events.

No Noteholder will be entitled to receive dividends or other distributions declared or paid in respect of the Underlying Securities to which such Note gives entitlement or to any other rights relating to or arising out of such Underlying Securities if the date on which the Underlying Securities are quoted ex-dividend or ex-the relevant right falls before the date on which the Underlying Securities are credited into the securities account of the Noteholder.

- (ii) Notes to be redeemed in accordance with this Condition 7 to the same Noteholder will be aggregated for the purpose of determining the Underlying Securities Amount to which such Notes give entitlement (and, for the avoidance of doubt, in the case of a Basket per particular class of Underlying Securities comprised in that Basket). The Noteholders will not be entitled to any interest or other payment or compensation if and to the extent that the delivery of the Underlying Securities Amount will take place after the earlier of (A) the Optional Redemption Date or (B) the Maturity Date (as specified in these Conditions). The number of Underlying Securities comprising the Underlying Securities Amount in respect of a Note will be calculated on the basis of the prevailing formula in the relevant Final Terms rounded down to the next whole integral number of Underlying Securities. Entitlement to the remaining fractions of Underlying Securities will be settled by payment of the Fractional Cash Amount in respect of those fractions rounded up to two decimals, as calculated by the Calculation Agent.

- (iii) ***Settlement Disruption***

If the Calculation Agent determines that delivery of any Underlying Securities Amount in respect of any Note by the Issuer in accordance with these Conditions is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Underlying Securities Delivery Date in respect of such Note shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder by mail addressed to it at the address specified in the relevant Delivery Notice or in accordance with Condition 18, provided that the Calculation Agent may determine in its sole discretion that the Issuer

satisfies its obligations in respect of the relevant Note by delivering or procuring the delivery of such Underlying Securities Amount using such other commercially reasonable manner as it may select and in such event the Underlying Securities Delivery Date shall be such day as the Calculation Agent deems appropriate in connection with delivery of such Underlying Securities Amount in such other commercially reasonable and lawful manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Underlying Securities Amount pursuant to this paragraph (iii) and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Underlying Securities comprising the Underlying Securities Amount, the Underlying Securities Delivery Date for the Underlying Securities comprising such Underlying Securities Amount but not affected by the Settlement Disruption Event will be the originally designated Underlying Securities Delivery Date.

For so long as delivery of part or all of the Underlying Securities comprising the Underlying Securities Amount (the “**Affected Underlying Securities**”) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then, in lieu of physical delivery of the Affected Underlying Securities and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 18. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 18 that a Settlement Disruption Event has occurred.

**(g) *Redemption of Equity Linked Notes following Nationalisation, Delisting, Insolvency, Merger Event or Tender Offer***

If Nationalisation, Delisting, Insolvency, Merger Event or Tender Offer is specified as applicable in the relevant Final Terms and the Calculation Agent determines that any such event has occurred, the Issuer may, having given:

- (i) not less than five days’ notice to the Noteholders in accordance with Condition 18 (or such other notice period as may be specified in the relevant Final Terms); and
- (ii) not less than seven days before the giving of the notice referred to in sub-paragraph (i) above (or such other notice period as may be specified in the relevant Final Terms), notice to the Fiscal Agent,

redeem all, but not some only, of the Notes then outstanding on the date specified in the notice referred to in sub-paragraph (i) above at the Early Redemption Amount specified in the relevant Final Terms together with, if so specified in the Final Terms, interest accrued to (but excluding) the date of redemption.

**(h) *Redemption of Index Linked Notes following an Index Modification, Index Cancellation or Index Disruption Event***

If an Index Modification, Index Cancellation or Index Disruption Event occurs, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes at the Early Redemption Amount together with, if so specified in the relevant Final Terms, interest accrued to (but excluding) the date of redemption.

Any determination made that the Notes are to be redeemed in accordance with this Condition 7(h) shall be notified to Noteholders in accordance with Condition 18, together with the date of such redemption.

**(i) *Redemption of Equity Linked Notes, Index Linked Notes and FX Linked Notes following an Additional Disruption Event***

If Additional Disruption Events are specified as applicable in the relevant Final Terms and an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes at the Early Redemption Amount, together with, if so specified in the relevant Final Terms, interest accrued to (but excluding) the date of redemption.

Any determination made that the Notes are to be redeemed in accordance with this Condition 7(i) shall be notified to Noteholders in accordance with Condition 18, together with the date of such redemption.

**(j) *Redemption for illegality***

In the event that the Issuer determines in good faith that the performance of its obligations under the Notes or that any arrangements made to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer, having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 18 (or such other notice period as may be specified in the relevant Final Terms) (which notice shall be irrevocable), may, on expiry of such notice, redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**(k) *Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 7 and the provisions specified in the relevant Final Terms.

**(l) *Purchases***

The Issuer and any of its subsidiaries may, at any time, purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

**(m) *Cancellation***

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries (other than Bearer Notes purchased in the ordinary course of business of dealing in securities or in the name of another party) may be surrendered for cancellation and, in each case, if so surrendered, will be cancelled forthwith together with all Notes redeemed by the Issuer (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith), and may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Notes may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each Note, together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar.

## 8 Provisions Applicable to Equity Linked Notes

Equity Linked Notes may only be issued as Exempt Notes. The following provisions apply to Equity Linked Notes:

### (a) *Correction of an Underlying Security Price*

If "Correction of Underlying Security Prices" is specified as applying in the relevant Final Terms and the price of an Underlying Security published on the Equity Valuation Date or Averaging Date, as the case may be, is subsequently corrected and the correction (the "**Corrected Underlying Security Price**") is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the relevant Final Terms, then such Corrected Underlying Security Price shall be deemed to be the closing price for such Underlying Security for the Equity Valuation Date or Averaging Date, as the case may be, and the Calculation Agent shall notify the Issuer and the Fiscal Agent of (i) that correction and (ii) the amount of principal and/or interest (if any) that is payable as a result of that correction and as soon as reasonably practicable thereafter, the Issuer shall make payment of such amount in accordance with Condition 11.

### (b) *Disrupted Days*

- (i) If the Calculation Agent determines that any Equity Valuation Date is a Disrupted Day in respect of an Underlying Security, then:
  - (A) where the Notes are specified in the relevant Final Terms to relate to a single Underlying Security, the Equity Valuation Date in respect of that Underlying Security shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Underlying Security, unless each of the eight Scheduled Trading Days (or such other number of Scheduled Trading Days as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (I) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Equity Valuation Date in respect of that Underlying Security, notwithstanding the fact that such day is a Disrupted Day, and (II) the Calculation Agent shall determine the Reference Price as its good faith estimate of the value for the Underlying Security as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms); or
  - (B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Underlying Securities, the Equity Valuation Date in respect of each Underlying Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Equity Valuation Date in respect of each Affected Security shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Security unless each of the eight Scheduled Trading Days (or such other number of Scheduled Trading Days as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date is a Disrupted Day in respect of the Affected Security. In that case, (I) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Equity Valuation Date in respect of the Affected Security, notwithstanding the fact that such day is a Disrupted Day, and (II) the Calculation Agent shall determine the Reference Price of the Affected Security as its good faith estimate of the value for the Affected Security as at the Valuation Time on

that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms).

- (ii) If the Calculation Agent determines that any Averaging Date is a Disrupted Day in respect of an Underlying Security, then:
  - (A) if "Omission" is specified in the relevant Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If no Averaging Date would occur through the operation of this provision, then, for the purposes of determining the Reference Price on the final Averaging Date, Condition 8(b)(i) will apply as if such Averaging Date were an Equity Valuation Date that was a Disrupted Day; or
  - (B) if "Postponement" is specified in the relevant Final Terms, such Averaging Date shall be deferred in accordance with Condition 8(b)(i) as if it were an Equity Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Notes; or
  - (C) if "Modified Postponement" is specified in the relevant Final Terms, then:
    - (a) where the Notes are specified in the relevant Final Terms to relate to a single Underlying Security, the Averaging Date in respect of that Underlying Security shall be the first succeeding Valid Date if the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Averaging Date in respect of that Underlying Security (irrespective of whether such day is already an Averaging Date), and (ii) the Calculation Agent shall determine the Reference Price of one such Underlying Security as its good faith estimate of the value for the Underlying Security as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms); or
    - (b) where the Notes are specified in the relevant Final Terms to relate to a Basket of Underlying Securities, the Averaging Date in respect of each Underlying Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Averaging Date in respect of each Affected Security shall be the first succeeding Valid Date in respect of the Affected Security. If the first succeeding Valid Date in relation to an Affected Security has not occurred as of the Valuation Time on the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date, then (i) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Averaging Date in respect of the Affected Security (irrespective of whether such day is already an Averaging Date, and (ii) the Calculation Agent shall determine the Reference Price of the Affected Security as its good faith estimate of the value for the Affected Security as at the Valuation Time on

that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms).

**(c) *Consequences of a Potential Adjustment Event***

If Potential Adjustment Event is specified as applicable in the relevant Final Terms, as soon as reasonably practicable following the occurrence of any Potential Adjustment Event, the Calculation Agent shall, in its sole discretion, determine (as soon as practicable thereafter) whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Underlying Security and, if so, the appropriate adjustment, if any, to be made to any of these Conditions (including, without limitation, to the Final Redemption Amount and/or Underlying Securities Amount) or the relevant Final Terms in relation to the Notes to account for the diluting or concentrative effect of such event or otherwise necessary to preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such event, such adjustment to be effective as of the date determined by the Calculation Agent (provided that no adjustments will be made to account solely for changes in volatility, except dividend, stock loan rate or liquidity).

In determining whether an adjustment should be made as a result of the occurrence of a Potential Adjustment Event, if options contracts or futures contracts on the Underlying Securities are traded on any stock exchange, the Calculation Agent may have regard to, but shall not be bound by, any adjustment to the terms of the relevant options contract or futures contract made and announced by such stock exchange. Any adjustments made in accordance with this Condition 8(c) shall be notified to Noteholders in accordance with Condition 18.

**(d) *Consequences of a Merger Event or Tender Offer***

If a Merger Event or Tender Offer, as the case may be, is specified as applicable in the relevant Final Terms, and a Merger Event or Tender Offer occurs, then on, or after the relevant Merger Date or Tender Offer Date, as the case may be, the Calculation Agent shall:

- (i) (A) make such adjustment to the exercise, settlement, payment or any other terms of the Notes, as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event or Tender Offer, as the case may be, (provided that no adjustments will be made to account solely for changes in volatility, excepted dividends, stock loan rate or liquidity relative to the relevant Underlying Securities or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer, as the case may be, by an options exchange to options on the relevant Underlying Securities traded on such options exchange, and (B) determine the effective date of any adjustment; or
- (ii) if the Calculation Agent determines that no adjustment that it could make under subparagraph (i) will produce a commercially reasonable result, then the Issuer shall redeem the Notes at their Early Redemption Amount as at the Merger Date or the Tender Offer Date, as the case may be, in accordance with Condition 7(g).

Any adjustment made in accordance with this Condition 8(d) shall be notified to Noteholders in accordance with Condition 18.

**(e) *Consequences of a Nationalisation, Delisting or Insolvency***

If Nationalisation, Delisting or Insolvency are specified as applicable in the relevant Final Terms then, if a Nationalisation, Delisting or Insolvency event occurs, as the case may be, the Issuer, in its sole and absolute discretion, may:

- (i) (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment to any one or more of the Final Redemption Amount and/or the Underlying Securities Amount and/or any other terms of these Terms and Conditions and/or the relevant Final Terms to account for the Nationalisation, Delisting or Insolvency event, as the case may be, and (B) determine the effective date of any adjustment. In determining whether an adjustment should be made as a result of the occurrence of a Nationalisation, Delisting or Insolvency, as the case may be, if options contracts or futures contracts on the Underlying Securities are traded on any stock exchange, the Calculation Agent may have regard to, but shall not be bound by, any adjustment to the terms of the relevant options contract or futures contract made and announced by such stock exchange. Any adjustment made in accordance with this Condition 8(e) shall be notified to Noteholders in accordance with Condition 18; or
- (ii) redeem the Notes in accordance with Condition 7(g).

**(f) *Consequences of an Additional Disruption Event***

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

- (i) (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment to any one or more of the Final Redemption Amount and/or the Underlying Securities Amount and/or any other terms of these Terms and Conditions and/or the relevant Final Terms to account for the Additional Disruption Event, and (B) determine the effective date of any adjustment; or
- (ii) redeem the Notes at their Early Redemption Amount in accordance with Condition 7(i).

Any adjustment made in accordance with this Condition 8(f) shall be notified to Noteholders in accordance with Condition 18.

**(g) *Adjustments for Equity Linked Redemption Notes in respect of Underlying Securities quoted in European Currencies***

In respect of Equity Linked Redemption Notes relating to Underlying Securities originally quoted, listed and/or dealt as of the Issue Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Securities are at any time after the Issue Date quoted, listed and/or dealt exclusively in Euro on the relevant Exchange or, where no Exchange is specified in the relevant Final Terms, the principal market on which those Underlying Securities are traded, then the Calculation Agent will adjust any one or more of the Final Redemption Amount and/or the Underlying Securities Amount and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 8(g) will affect the currency denomination of any payment obligation arising out of the Notes.

## 9 Provisions Applicable to Index Linked Notes

Index Linked Notes may only be issued as Exempt Notes. The following provisions apply to Index Linked Notes:

### (a) **Adjustments for Successor Index Sponsors and Successor Indices**

If the Index or one of the Indices is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Index Sponsor**”) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index or (iii) not in existence on or prior to the Valuation Date, but the Calculation Agent considers there to be in existence at such time an alternative index which, if substituted for the relevant Index, would materially preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such substitution, then the relevant successor Index (the “**Successor Index**”) will be deemed to be the Index so calculated and published by the Successor Index Sponsor or that successor or the alternative index, as the case may be.

### (b) **Correction of an Index**

If Correction of an Index is specified as applying in the relevant Final Terms and the official closing level of an Index published on the Index Valuation Date or Averaging Date, as the case may be, is subsequently corrected and the correction (the “**Corrected Index Level**”) is published by the Index Sponsor of (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the relevant Final Terms, then such Corrected Index Level shall be deemed to be the closing level of such Index for the Index Valuation Date or Averaging Date, as the case may be, and the Calculation Agent shall notify the Issuer and the Fiscal Agent of (i) that correction and (ii) the amount of principal and/or interest (if any) that is payable as a result of that correction and as soon as reasonably practicable thereafter, the Issuer shall make payment of such amount in accordance with Condition 11.

### (c) **Disrupted Days**

(i) If the Calculation Agent determines that any Valuation Date is a Disrupted Day in respect of an Index, then:

(A) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Index Valuation Date for such Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for such Index, unless each of the eight Scheduled Trading Days (or such other number of Scheduled Trading Days as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (I) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Index Valuation Date in respect of that Index, notwithstanding the fact that such day is a Disrupted Day, and (II) the Calculation Agent shall determine the Reference Level of the Affected Index as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of

the relevant security/commodity on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms), its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms); or

(B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Index Valuation Date in respect of each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Index Valuation Date in respect of each Affected Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Index unless each of the eight Scheduled Trading Days (or such other number of Scheduled Trading Days as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date is a Disrupted Day in respect of the Affected Index. In that case, (I) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Index Valuation Date in respect of the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (II) the Calculation Agent shall determine the Reference Level of the Affected Index as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) of each security/commodity comprised in the Affected Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms), its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms)).

(ii) If the Calculation Agent determines that any Averaging Date is a Disrupted Day in respect of an Index, then:

(A) if "Omission" is specified in the relevant Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Level. If no Averaging Date would occur through the operation of this provision, then, for the purposes of determining the Reference Level on the final Averaging Date, Condition 9(c)(ii) will apply as if such Averaging Date were an Index Valuation Date that was a Disrupted Day; or

(B) if "Postponement" is specified in the relevant Final Terms, then such Averaging Date shall be deferred in accordance with Condition 9(c)(i) as if it were an Index Valuation Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Notes; or

(C) if "Modified Postponement" is specified in the relevant Final Terms:

(a) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Averaging Date in respect of that Index shall be the first

succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Averaging Date in respect of that Index (irrespective of whether such day is already an Averaging Date), and (ii) the Calculation Agent shall determine the Reference Level of the Affected Index as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms), its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms)); or

(b) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Averaging Date in respect of each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Averaging Date in respect of each Affected Index shall be the first Valid Date in respect of the Affected Index unless each of the eight Scheduled Trading Days (or such other number of Scheduled Trading Day as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date is a Disrupted Day in respect of the Affected Index. If the first succeeding Valid Date in relation to an Affected Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) immediately following the Scheduled Valuation Date, then (1) the eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) shall be deemed to be the Averaging Date in respect of the Affected Index (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine the Reference Level of the Affected Index as at the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms) of each security/commodity comprised in the Affected Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day (or such other

Scheduled Trading Day as may be specified in the relevant Final Terms), its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day (or such other Scheduled Trading Day as may be specified in the relevant Final Terms)).

**(d) *Consequences of Index Modification, Index Cancellation and Index Disruption Event***

If the Calculation Agent determines in its sole and absolute discretion that an Index Modification, Index Cancellation or Index Disruption Event has occurred, then the Issuer may:

- (i) require the Calculation Agent to determine if such Index Modification, Index Cancellation or Index Disruption Event has a material effect on the Notes and, if so, the Rate of Interest, the Final Redemption Amount and/or any other relevant terms, using, in lieu of a published level of the relevant Index, the level of the relevant Index as at the relevant Valuation Time at the relevant Valuation Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating the relevant Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the relevant Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant stock exchange); or
- (ii) redeem the Notes at their Early Redemption Amount in accordance with Condition 7(h).

**(e) *Consequences of an Additional Disruption Event***

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

- (i) (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment to any one or more of the Final Redemption Amount and/or any other terms of these Terms and Conditions and/or the relevant Final Terms to account for the Additional Disruption Event, and (B) determine the effective date of any adjustment; or
- (ii) redeem the Notes at their Early Redemption Amount in accordance with Condition 7(i).

Any adjustment made in accordance with this Condition 9(e) shall be notified to Noteholders in accordance with Condition 18.

## **10 Provisions Applicable to FX Linked Notes**

FX Linked Notes may only be issued as Exempt Notes. The following provisions apply to FX Linked Notes:

**(a) *Disrupted Days***

**(i) *Single FX Rate and FX Reference Dates***

Where the FX Linked Notes relate to a single FX Rate, and if the Calculation Agent determines that any FX Reference Date in respect of such FX Rate is a Disrupted Day, the Calculation Agent shall determine such FX Rate on such FX Reference Date in accordance with the first applicable Disruption Fallback (applied in accordance with its terms).

**(ii) *FX Rate Basket and FX Reference Dates***

Where the FX Linked Notes relate to a basket of FX Rates, and if the Calculation Agent determines that any FX Reference Date in respect of one or more of such FX Rates is a Disrupted Day, then:

- (A) for each FX Rate for which the Calculation Agent determines that such FX Reference Date is not a Disrupted Day, the FX Rate will be determined on such FX Reference Date from the relevant FX Price Source; and
- (B) for each FX Rate for which the Calculation Agent determines that such FX Reference Date is a Disrupted Day, the Calculation Agent shall determine such FX Rate on such FX Reference Date in accordance with the first applicable Disruption Fallback (applied in accordance with its terms).

*(iii) FX Averaging Reference Dates*

If the relevant Final Terms specify that “FX Averaging Reference Dates — Omission” is applicable, if the Calculation Agent determines that any FX Averaging Reference Date is a Disrupted Day, then such FX Averaging Reference Date will be deemed not to be a relevant FX Averaging Reference Date for the purposes of determining any amount payable under the FX Linked Notes or making any other determination thereunder, provided that, if through the operation of this provision there would not be any FX Averaging Reference Dates, then the final FX Averaging Reference Date will be deemed to be the sole FX Averaging Reference Date, and the Calculation Agent shall determine the FX Rate on such sole FX Averaging Reference Date in accordance with the first applicable Disruption Fallback (applied in accordance with its terms).

**(b) Fallback Valuation Date**

Notwithstanding any other terms of this Condition 10, if Fallback Valuation Date is specified in the relevant Final Terms to be applicable to any FX Reference Date or any other relevant date (any such date being, for the purposes of this Condition 10(b), an “**FX Relevant Date**”) for an FX Rate, and if, following adjustment of such FX Relevant Date on account of the FX Scheduled Reference Date not being an FX Business Day (for the purposes of this Condition 10(b), an “**Affected FX Rate**”) the FX Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected FX Rate, then such Fallback Valuation Date shall be deemed to be such FX Relevant Date for such Affected FX Rate.

If such Fallback Valuation Date is not an FX Business Day or is a Disrupted Day in respect of such Affected FX Rate, as the case may be, then the Calculation Agent shall determine its good faith estimate of the value for such Affected FX Rate on such Fallback Valuation Date.

**(c) Corrections to published and displayed rates**

- (i) In any case where an FX Rate is based on information obtained from the Reuters Monitor Money Rates Service, or any other financial information service, the FX Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.
- (ii) Notwithstanding Condition 10(c)(i) above, in any case where the FX Rate is based on information published or announced by any governmental authority in a relevant country, the FX Rate will be subject to the corrections, if any, to that information subsequently published or announced by that source within five days of the relevant FX Reference Date, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.

**(d) Successor Currency**

Where the relevant Final Terms specify that “Successor Currency” is applicable in respect of an FX Rate, then:

- (i) each Reference Currency will be deemed to include any lawful successor currency to the Reference Currency (the “**Successor Currency**”);
- (ii) if the Calculation Agent determines that, on or after the Issue Date but on or before any relevant date under the FX Linked Notes on which an amount may be payable, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Issue Date or any Successor Currency, as the case may be (the “**Original Currency**”), for a Successor Currency, then, for the purposes of calculating any amounts of the Original Currency or effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by the relevant country of the Original Currency for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place, as determined by the Calculation Agent. If there is more than one such date, the date closest to such relevant date will be selected (or such other date as may be selected by the Calculation Agent in its sole and absolute discretion); and
- (iii) notwithstanding paragraph (ii) above, the Calculation Agent may (to the extent permitted by the applicable law), in good faith and in a commercially reasonable manner, select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and, will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the FX Linked Notes to account for such elimination, conversion, redenomination or exchange of the Reference Currency.

**(e) Rebasing of FX Linked Notes**

If the relevant Final Terms specify that “Rebasing” is applicable, then, if, on or prior to any FX Reference Date or any other relevant date, the Calculation Agent is unable to obtain a value for an FX Rate (because the Reference Currency and/or Base Currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the FX Linked Notes against another foreign exchange rate determined by the Calculation Agent, in its sole and absolute discretion, to be a comparable foreign exchange rate. If the Calculation Agent determines in its sole and absolute discretion that there is not such a comparable foreign exchange rate, the Issuer may elect to redeem the FX Linked Notes by notice to Holders on the date specified in the notice at the Early Redemption Amount of each FX Linked Note.

**(f) Consequences of an Additional Disruption Event**

If Additional Disruption Events are specified in the relevant Final Terms, then, if an Additional Disruption Event has occurred, the Issuer in its sole and absolute discretion may:

- (i) (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment to the Final Redemption Amount or any other terms of the FX Linked Notes as the Calculation Agent determines appropriate to account for such Additional Disruption Event, and (B) determine the effective date of any adjustment; or

(ii) redeem the FX Linked Notes at the Early Redemption Amount in accordance with Condition 7(i).

Any adjustment made in accordance with this Condition 10(f) shall be notified to Noteholders in accordance with Condition 18.

**(g) FX Rates definitions**

**Asia/Southeast Asia**

**Chinese Renminbi**

(i) **CNY SAEC** or **CNY01** each means that the Spot Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar official fixing rate, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days reported by the People's Bank of China, Beijing, People's Republic of China, which appears on the Reuters Screen "SAEC" Page opposite the symbol "USDCNY=" at approximately 9.15 a.m., Beijing time, on that Rate Calculation Date.

(ii) **SFEMC CNY INDICATIVE SURVEY RATE** or **CNY02** each means that the Spot Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC CNY Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Chinese Renminbi/U.S. Dollar markets for the purpose of determining the SFEMC CNY Indicative Survey Rate).

**Indian Rupee**

(i) **INR RBIB** or **INR01** each means that the Spot Rate for a Rate Calculation Date will be the Indian Rupee/U.S. Dollar reference rate, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Business Days reported by the Reserve Bank of India which appears on the Reuters Screen RBIB Page at approximately 12:30 p.m., Mumbai time, or as soon thereafter as practicable, on that Rate Calculation Date.

(ii) **SFEMC INR INDICATIVE SURVEY RATE** or **INR02** each means that the Spot Rate for a Rate Calculation Date will be the Indian Rupee/U.S. Dollar Annex A Compendium 10 Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate).

**Korean Won**

(i) **KRW KFTC18** or **KRW02** each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days reported by the

Korea Financial Telecommunications and Clearing Corporation which appears on the Reuters Screen KFTC18 Page to the right of the caption "USD Today" that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.

- (ii) "**KRW TELERATE 45644**" or "**KRW03**" each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days reported by the Korea Financial Telecommunications and Clearing Corporation which appears on Telerate Page 45644 to the right of the caption "USD Today" that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.
- (iii) "**SFEMC KRW INDICATIVE SURVEY RATE**" or "**KRW04**" each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC KRW Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Korean Won/U.S. Dollar markets for the purpose of determining the SFEMC KRW Indicative Survey Rate).

#### **Philippine Peso**

- (i) "**PHP PHPES0**" or "**PHP01**" each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day reported by the Philippine Dealing system which appears on the Reuters Screen PHPES0 Page to the right of the caption "AM WT AVE" at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (ii) "**PHP TELERATE 2920**" or "**PHP02**" each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day reported by the Philippine Dealing System which appears on the Telerate Page 2920 to the right of the caption "AM WT AVE" at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (iii) "**PHP TELERATE 15439**" or "**PHP03**" each means that the Spot Rate for a Rate Calculation date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in on a Business Day reported by the Philippine Dealing System which appears on the Telerate Page 15439 to the right of the caption "AM WT AVE" at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (iv) "**PHP PHPES01**" or "**PHP04**" each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day reported by the Philippine Dealing System which appears

on the Reuters Screen PHPES01 Page to the right of the caption "AM WT AVE" at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.

- (v) "**SFEMC PHP INDICATIVE SURVEY RATE**" or "**PHP05**" each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, as published on SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC PHP Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Philippine Peso/U.S. Dollar markets for the purpose of determining the SFEMC PHP Indicative Survey Rate).
- (vi) "**PHP PDSPESO**" or "**PHP06**" each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day reported by the Philippine Dealing System PDEX which appears on the Reuters Screen PDSPESO Page to the right of the caption "AM WT AVE" at approximately 11:30 a.m., Manila time, or as soon thereafter as practicable, on that Rate Calculation Date.

#### **Taiwanese Dollar**

- (i) "**TWD TELERATE 6161**" or "**TWD01**" each means that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, reported by the Taipei Forex Inc. which appears on the Telerate Page 6161 under the heading "Spot" as of 11:00 a.m., Taipei time, on that Rate Calculation Date, or, if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15 minute intervals after such time, up to and including 12:00 noon, Taipei time, on that Rate Calculation Date.
- (ii) "**TWD TAIFX1**" or "**TWD03**" each means that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, reported by the Taipei Forex Inc. which appears on the Reuters Screen TAIFX1 Page under the heading "Spot" as of 11:00 a.m. Taipei time, on that Rate Calculation Date, or, if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15 minute intervals after such time, up to and including 12:00 noon, Taipei time on that Rate Calculation Date.
- (iii) "**SFEMC TWD INDICATIVE SURVEY RATE**" or "**TWD04**" each means that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC TWD Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are

active participants in the Taiwanese Dollar/U.S. Dollar markets for the purpose of determining the SFEMC TWD Indicative Survey Rate).

#### **Malaysian Ringgit**

- (i) **“MYR ABS” or “MYR01”** each means that the Spot Rate for a Rate Calculation Date will be the Malaysian Ringgit/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Malaysian Ringgit per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore which appears on the Telerate Page 50157 to the right of the caption “Spot” under the column “MYR” at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.
- (ii) **“SFEMC MYR INDICATIVE SURVEY RATE” or “MYR02”** each means that the Spot Rate for a Rate Calculation Date will be the Malaysian Ringgit/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Malaysian Ringgit per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC MYR Indicative Survey Methodology (which means a methodology, dated as of 15 July 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Malaysian Ringgit/U.S. Dollar markets for the purpose of determining the SFEMC MYR Indicative Survey Rate).

#### **Indonesian Rupiah**

- (i) **“IDR ABS” or “IDR01”** each means that the Spot Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore which appears on the Telerate Page 50157 to the right of the caption “Spot” under the column “IDR” at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.
- (ii) **“SFEMC IDR INDICATIVE SURVEY RATE” or “IDR02”** each means that the Spot Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC IDR Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indonesian Rupiah/U.S. Dollar markets for the purpose of determining the SFEMC IDR Indicative Survey Rate).

#### **Pakistani Rupee**

- (i) **“PKR SBPK” or “PKR01”** each means that the Spot Rate for a Rate Calculation Date will be the Pakistani Rupee/U.S. Dollar reference rate expressed as the amount of Pakistani Rupees per one U.S. Dollar, for settlement in two Business Days reported by the State Bank of Pakistan ([www.sbp.org.pk](http://www.sbp.org.pk)) at approximately 2:30 p.m., Karachi time, on that Rate Calculation Date.

(ii) “**SFEMC PKR INDICATIVE SURVEY RATE**” or “**PKR02**” each means that the Spot Rate for a Rate Calculation Date will be the Pakistani Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Pakistani Rupees per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m. Singapore time, or as soon thereafter as practicable, on that Rate Calculation Date. The Spot Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC PKR Indicative Survey Methodology (which means a methodology, dated as of 14 July 2008, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Pakistani Rupee/U.S. Dollar markets for the purpose of determining the SFEMC PKR Indicative Survey Rate).

#### **Vietnamese Dong**

(i) “**VND ABS**” or “**VND01**” each means that the Spot Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days reported by the Association of Banks in Singapore which appears on the Reuters Screen ABSIRFIX01 Page to the right of the caption “Spot” under the column “VND” at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.

(ii) “**VND FX**” or “**VND02**” each means that the Spot Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar spot rate expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days which appears on Reuters Screen VNDFIX=VN Page under the caption “Spot” and to the right of the caption “Average” at approximately 11:00 am, Hanoi time, on that Rate Calculation Date.

(iii) “**SFEMC VND INDICATIVE SURVEY RATE**” or “**VND03**” each means that the Spot Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website ([www.sfemc.org](http://www.sfemc.org)) at approximately 3:30 p.m., Singapore time, or as soon as thereafter as practicable, on that Rate Calculation Date. The Spot Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC VND Indicative Survey Methodology (which means a methodology, dated as of 14 July 2008, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Vietnamese Dong/U.S. Dollar markets for the purpose of determining the SFEMC VND Indicative Survey Rate).

#### **Central and Eastern Europe**

##### **Hungarian Forint**

(i) “**HUF USD Official Rate**” or “**HUF01**” each means that the Spot Rate for a Rate Calculation Date will be the Hungarian Forint/U.S. Dollar official rate for U.S. Dollars, expressed as the amount of Hungarian Forints per one U.S. Dollar, for settlement in two Business Days calculated by the National Bank of Hungary which appears on the Reuters Screen HUFE page at approximately 12:00 noon, Budapest time, on that Rate Calculation Date.

(ii) “**HUF EUR Official Rate**” or “**HUF02**” each means that the Spot Rate for a Rate Calculation Date will be the Hungarian Forint/euro official rate for euros, expressed as the amount of Hungarian Forints per one euro, for settlement in two Business Days calculated by the National Bank of Hungary which appears on the Reuters Screen HUFE page at approximately 12:00 noon, Budapest time, on that Rate Calculation Date.

### **Polish Zloty**

- (i) “**PLZ NBPQ**” or “**PLZ01**” each means that the Spot Rate for a Rate Calculation Date will be the Polish Zloty/U.S. Dollar fixing rate, expressed as the amount of Polish Zloty per one U.S. Dollar, for settlement in two Business Days reported by the National Bank of Poland which appears on the Reuters Screen NBPQ Page at approximately 11:00 a.m., Warsaw time, on that Rate Calculation Date.
- (ii) “**PLZ NBPR**” or “**PLZ02**” each means that the Spot Rate for a Rate Calculation Date will be the Polish Zloty/U.S. Dollar mid rate, expressed as the amount of Polish Zloty per one U.S. Dollar, for settlement in two Business Days reported by the National Bank of Poland which appears on the Reuters Screen NBPR Page below the caption “Central Parity” at approximately 11:00 a.m., Warsaw time, on that Rate Calculation Date.

### **Russian Ruble**

- (i) “**RUB MICEXFRX**” or “**RUB01**” each means that the Spot Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement on the same day reported by the Moscow Interbank Currency Exchange which appears on the Reuters Screen MICEXFRX Page as of 10:30 a.m., Moscow time, on that Rate Calculation Date.
- (ii) “**RUB MMVB**” and “**RUB02**” each means that the Spot Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement on the same day reported by the Moscow Interbank Currency Exchange which appears on the Reuters Screen MMVB Page as of 10:30 a.m., Moscow time, on that Rate Calculation Date.
- (iii) “**RUB CME-EMTA RATE**” and “**RUB03**” each means that the Spot Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement in one Business Day, calculated by the Chicago Mercantile Exchange (“**CME**”) and as published on CME’s website, which appears on the Reuters Screen EMTA Page, at approximately 1:30 p.m., Moscow time, on that Rate Calculation Date. The Spot Rate shall be calculated by the CME pursuant to the Chicago Mercantile Exchange/EMTA, Inc. Daily Russian Ruble Per U.S. Dollar Reference Rate Methodology (which means a methodology, effective as of 16 June 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions in Russia that are active participants in the Russian Ruble/U.S. Dollar spot market for the purpose of determining the RUB CME-EMTA Rate).
- (iv) “**EMTA RUB INDICATIVE SURVEY RATE**” and “**RUB04**” each means that the Spot Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement in one Business Day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 2:45 p.m., Moscow time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA RUB Indicative Survey Methodology (which means a methodology dated as of 16 June 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Russian Ruble/U.S. Dollar spot market for the purpose of determining the EMTA RUB Indicative Survey Rate).

### **Kazakhstan Tenge**

- (i) “**KZT KASE**” or “**KZT01**” each means that the Spot Rate for a Rate Calculation Date will be the Kazakhstan Tenge/U.S. Dollar weighted average rate, expressed as the amount of Kazakhstan Tenge per one U.S. Dollar, for settlement on the same Business Day reported by the Kazakhstan Stock Exchange ([www.kase.kz](http://www.kase.kz)) at approximately 11:00 a.m., Almaty time, on that Rate Calculation Date.
- (ii) “**EMTA KZT INDICATIVE SURVEY RATE**” or “**KZT02**” each means that the Spot Rate for a Rate Calculation Date will be the Kazakhstan Tenge/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Kazakhstan Tenge per one U.S. Dollar, for settlement on the same Business Day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 1:00 p.m., Almaty time, or as soon thereafter as practicable, on that Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA KZT Indicative Survey Methodology (which means a methodology, dated as of 16 March 2009, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Kazakhstan Tenge/U.S. Dollar markets for the purpose of determining the EMTA KZT Indicative Survey Rate).

### **Ukrainian Hryvnia**

- (i) “**UAH GFI**” or “**UAH01**” each means that the Spot Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar spot rate, expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day reported by GFI Brokers on Thomson Reuters Page GFIU by 9:30 a.m., London time, on that Rate Calculation Date.
- (ii) “**EMTA UAH INDUSTRY SURVEY RATE**” or “**UAH02**” each means that the Spot Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day calculated by Thomson Reuters pursuant to the EMTA UAH Industry Survey Methodology, which rate appears on EMTA’s website ([www.emta.org](http://www.emta.org)) and on the Thomson Reuters Page EMTAUAHFIX at approximately 11.30am, Kiev time, on that Rate Calculation Date. The “**EMTA UAH Industry Survey Methodology**” as used herein means the methodology dated as of 16 March 2009, for a centralised industry-wide survey of financial institutions in the Ukrainian Hryvnia/U.S. Dollar spot market for the purposes of determining the EMTA UAH Industry Survey Rate.
- (iii) “**EMTA UAH INDICATIVE SURVEY RATE**” or “**UAH03**” each means that the Spot Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 2:00 p.m., Kiev time, or as soon thereafter as practicable, on that Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA UAH Indicative Survey Methodology (which means a methodology, dated as of 16 March 2009, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Ukrainian Hryvnia/U.S. Dollar markets for the purpose of determining the EMTA UAH Indicative Survey Rate).

## ***Latin America***

### **Argentine Peso**

- (i) **“ARS BNAR” or “ARS01”** each means that the Spot Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day which appears on the Reuters Screen BNAR Page at the close of business in Buenos Aires on that Rate Calculation Date.
- (ii) **“EMTA ARS INDUSTRY SURVEY RATE” or “ARS03”** each means that the Spot Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 1:00 p.m. (Buenos Aires time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA ARS Industry Survey Methodology (which means a methodology, dated as of 2 January 2003, as amended from time to time, for a centralised industry-wide survey of financial institutions in Buenos Aires that are active participants in the Argentine Peso/U.S. Dollar spot markets for the purpose of determining the EMTA ARS Industry Survey Rate).
- (iii) **“EMTA ARS INDICATIVE SURVEY RATE” or “ARS04”** each means that the Spot Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 1:00 p.m. (Buenos Aires time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA ARS Indicative Survey Methodology (which means a methodology, dated as of 2 January 2003, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Argentine Peso/U.S. Dollar markets for the purpose of determining the EMTA ARS Indicative Survey Rate).

### **Brazilian Real**

- (i) **“BRL BRBY” or “BRL01”** each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar inter-bank rate, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days which appears on the Reuters Screen BRBY Page to the right of the caption “Interbank”, below the heading “Last” at the Specified Time on that Rate Calculation Date.
- (ii) **“BRL OFFICIAL RATE” or “BRL02”** each means the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar official rate, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil in the “Diário Oficial da União” on the first Business Day following that Rate Calculation Date.
- (iii) **“BRL PCOT” or “BRL03”** each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PCOT-390, Option 3, at the Specified Time on that Rate Calculation Date.
- (iv) **“BRL PTAX” or “BRL09”** each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of

Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“*Consulta de Cambio*” or Exchange Rate Inquiry), Option 5 (“*Cotacões para Contabilidade*” or “**Rates for Accounting Purposes**”) by approximately 6:00 p.m., Sao Paulo time, on that Rate Calculation Date.

- (v) “**BRL PTAX BRFR**” or “**BRL10**” each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“*Consulta de Cambio*” or Exchange Rate Inquiry), Option 5 (“*Cotacões para Contabilidade*” or Rates for Accounting Purposes), which appears on Reuters Screen BRFR Page under the caption “Dolar PTAX” at approximately 8:30 a.m., Sao Paulo time, on the first Business Day following that Rate Calculation Date.
- (vi) “**BRL INDUSTRY SURVEY RATE**” or “**BRL11**” each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days calculated by the Chicago Mercantile Exchange pursuant to the BRL Methodology which appears on the Reuters Screen EMTA Page at approximately 12:30 p.m. Sao Paulo time, or as soon thereafter as practicable, on the first Business Day following the Rate Calculation Date. “**BRL Methodology**” as used herein means the methodology dated 8 November 1999, establishing a centralised industry-wide survey of financial institutions in Brazil that are active participants in the Brazilian Real/U.S. Dollar spot markets for the purpose of determining the BRL Industry Survey Rate. (The BRL Methodology is available on the websites of The Foreign Exchange Committee and EMTA.)
- (vii) “**EMTA BRL INDUSTRY SURVEY RATE**” or “**BRL12**” each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 3:45 p.m. (Sao Paulo time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Industry Survey Methodology (which means a methodology, dated as of 1 March 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions in Brazil that are active participants in the Brazilian Real/U.S. Dollar spot markets for the purpose of determining the EMTA BRL Industry Survey Rate).
- (viii) “**EMTA BRL INDICATIVE SURVEY RATE**” or “**BRL13**” each means that the Spot Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s web site ([www.emta.org](http://www.emta.org)) at approximately 12:00 p.m. (So Paulo time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Indicative Survey Methodology (which means a methodology, dated as of 1 March 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Brazilian Real/U.S. Dollar markets for the purpose of determining the EMTA BRL Indicative Survey Rate).

### Chilean Peso

- (i) "**CLP BCCHILG**" or "**CLP01**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day reported by the Banco Central de Chile which appears on the Reuters Screen BCCHILG Page under the caption "OBSERVADO" at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (ii) "**CLP INFORMAL**" or "**CLP02**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar informal rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day of the informal exchange market which appears on the Reuters Screen CLPP= Page at the Specified Time on that Rate Calculation Date.
- (iii) "**CLP INTERBANK**" or "**CLP03**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar inter-bank rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day reported by the Banco Central de Chile for the formal exchange market which appears on the Reuters Screen CLP= Page at the Specified Time on that Rate Calculation Date.
- (iv) "**CLP OBSERVADO**" or "**CLP04**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day reported by the Banco Central de Chile which appears on the Reuters Screen CLPOB= Page below the caption "Value" at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (v) "**CLP OFFICIAL RATE**" or "**CLP08**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar official rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, calculated in accordance with Title I, Chapter 1, Number 6 of the Compendium of International Exchange Norms of the Banco Central de Chile and published by the Banco Central de Chile at the Specified Time, if any, on the first Business Day following that Rate Calculation Date.
- (vi) "**CLP TELERATE 38942**" or "**CLP09**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day reported by the Banco Central de Chile which appears on the Telerate Page 38942 below the caption "Dolar Observado" at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (vii) "**CLP DÓLAR OBS**" or "**CLP10**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar "observado" rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement in one Business Day reported by the Banco Central de Chile ([www.bcentral.cl](http://www.bcentral.cl)) as the "Dólar Observado" (Dollar Observado) rate by not later than 10:30 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (viii) "**EMTA CLP INDICATIVE SURVEY RATE**" or "**CLP11**" each means that the Spot Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA's website ([www.emta.org](http://www.emta.org)) at approximately 11:00 a.m., Santiago time, or as soon thereafter as practicable, on such Rate Calculation Date.

The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA CLP Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Chilean Peso/U.S. Dollar markets for the purpose of determining the EMTA CLP Indicative Survey Rate).

#### **Colombian Peso**

- (i) “**COP CO/COL03**” or “**COP01**” each means that the Spot Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar fixing rate, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day reported by the Colombian Banking Superintendency which appears on the Reuters Screen CO/COL03 Page to the right of the caption “TCRM” (“*Tasa de Cierre Representative del Mercado*” or closing market price) below the heading “Hoy” at approximately 9:30 a.m., Bogota time, on the first Business Day following that Rate Calculation Date.
- (ii) “**COP TRM**” or “**COP02**” each means that the Spot Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar fixing rate, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day reported by the Colombian Financial Superintendency ([www.banrep.gov.co](http://www.banrep.gov.co)) as the “*Tasa Representativa del Mercado (TRM)*” (also referred to as the “*Tasa de Cambio Representativa del Mercado*” (TCRM)) by not later than 10:30 a.m., Bogotá time, on the first Business Day following that Rate Calculation Date.
- (iii) “**EMTA COP INDICATIVE SURVEY RATE**” or “**COP03**” each means that the Spot Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s website ([www.emta.org](http://www.emta.org)) at approximately 11:30 a.m., Bogotá time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA COP Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Colombian Peso/U.S. Dollar markets for the purpose of determining the EMTA COP Indicative Survey Rate).

#### **Ecuadorian Sucre**

- (i) “**ECS DNRP**” or “**ECS01**” each means that the Spot Rate for a Rate Calculation Date will be the Ecuadorian Sucre/U.S. Dollar Specified Rate, expressed as the amount of Ecuadorian Sucre per one U.S. Dollar, for settlement in one Business Day which appears on Reuters Screen DNRP Page below the caption “Official” at 12:00 noon, Guayaquil time, on that Rate Calculation Date.
- (ii) “**ECS ECBCE02**” or “**ECS02**” each means that the Spot Rate for a Rate Calculation Date will be the Ecuadorian Sucre/U.S. Dollar Specified Rate, expressed as the amount of Ecuadorian Sucre per one U.S. Dollar, for settlement in one Business Day which appears on Reuters Screen ECBCE02 Page at the Specified Time on that Rate Calculation Date.

#### **Mexican Peso**

- (i) “**MXP BNMX**” or “**MXP01**” each means that the Spot Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos

per one U.S. Dollar, for settlement in two Business Days reported by Banco de Mexico which appears on the Reuters Screen BNMX Page opposite the caption "Fix" at the close of business in Mexico City on that Rate Calculation Date.

- (ii) "**MXP FIXING RATE**" or "**MXP02**" each means that the Spot Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days which is published by Banco de Mexico in the Official Gazette of the Federation pursuant to the rules applicable to determine the exchange rate to pay obligations denominated in foreign currency payable in Mexico on the first Business Day following that Rate Calculation Date.
- (iii) "**MXP MEX01**" or "**MXP03**" each means that the Spot Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days reported by Banco de Mexico which appears on Reuters Screen MEX01 Page under the heading "MXNFX=RR", at the close of business in Mexico City on that Rate Calculation Date.
- (iv) "**MXP PUBLISHE**" or "**MXP04**" each means the Spot Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days published by the Bolsa Mexicana de Valores, S.A. de C.V. (as established in Section 2 of the "Resolution concerning the exchange rate applicable for calculating the Mexican Peso equivalent of principal and interest of Mexican Treasury Notes denominated in foreign currency and payable in Mexican Pesos" published in the Diário Oficial de la Federacion on 11 November 1991) in the Movimiento Diário del Mercado de Valores de la Bolsa Mexicana de Valores, S.A. de C.V. under the heading "Movimiento Diário del Mercado de Valores" on that Rate Calculation Date.

#### **Peruvian Sol**

- (i) "**PEN PDSB**" or "**PEN01**" each means that the Spot Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar Specified Rate, expressed as the amount of Peruvian Sols per one U.S. Dollar, for settlement on that same day which appears on the Reuters Screen PDSB Page in the row entitled "INTRB" and below the caption "ULT/REUTERS" at approximately 12:00 noon, Lima time, on that Rate Calculation Date.
- (ii) "**PEN PDSC**" or "**PEN02**" each means that the Spot Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar inter-bank rate expressed as the amount of Peruvian Sols per one U.S. Dollar, for settlement on that same day which appears on the Reuters Screen PDSC Page below the caption "INTERBANCARIO" as of 11:00 a.m., Lima time, on that Rate Calculation Date.
- (iii) "**PEN WT AVE**" or "**PEN03**" each means that the Spot Rate for a Rate Calculation Date will be the midpoint of the Peruvian Sol/U.S. Dollar closing weighted average bid and offer "*compra y venta*" exchange rates expressed as the amount of Peruvian New Sols per one U.S. Dollar for settlement on the same day, reported by the Superintendencia de Banca, Seguros y AFP ([www.sbs.gob.pe](http://www.sbs.gob.pe)) of the Republic of Peru at approximately 5:00 p.m., Lima time, on that Rate Calculation Date.
- (iv) "**EMTA PEN INDICATIVE SURVEY RATE**" or "**PEN04**" each means that the Spot Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Peruvian Sols per one U.S. Dollar, for settlement on the same day, as published on EMTA's website ([www.emta.org](http://www.emta.org)) at approximately 11:00 a.m., Lima time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate

shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA PEN Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Peruvian Sol/U.S. Dollar markets for the purpose of determining the EMTA PEN Indicative Survey Rate).

(v) **“PEN INTERBANK AVE” or “PEN05”** each means that the Spot Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar average exchange rate in the inter-bank market expressed as the amount of Peruvian New Sols per one U.S. Dollar for settlement on the same day reported by the Banco Central de Reserva del Peru ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)) as the *“Tipo de Cambio Interbancario Promedio”* at approximately 2:00 p.m., Lima time, on that Rate Calculation Date.

#### **Venezuelan Bolivar**

**“VEF FIX” or “VEF01”** each means that the Spot Rate for a Rate Calculation Date will be the midpoint of the Venezuelan Bolivar/U.S. Dollar Tipo de Câmbio De Referencia buying and selling rates, expressed as the amount of Venezuelan Bolivar per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central de Venezuela ([www.bcv.org.ve](http://www.bcv.org.ve)) at approximately 5:00 p.m., Caracas time, on that Rate Calculation Date.

#### **Middle East/Africa**

##### **Israeli Shekel**

(i) **“ILS BOIJ” or “ILS01”** each means that the Spot Rate for a Rate Calculation Date will be the Israeli Shekel/U.S. Dollar fixing rate, expressed as the amount of Israeli Shekels per one U.S. Dollar, for settlement in two Business Days reported by the Bank of Israel which appears on the Reuters Screen BOIJ Page opposite the symbol “USD” and below the caption “REP RATES” at approximately 3:15 p.m., Tel Aviv time, on that Rate Calculation Date.

(ii) **“ILS FXIL” or “ILS02”** each means that the Spot Rate for a Rate Calculation Date will be the Israeli Shekel/U.S. Dollar Specified Rate, expressed as the amount of Israeli Shekels per one U.S. Dollar, for settlement in two Business Days which appears on the Reuters Screen FXIL Page at the Specified Time, on that Rate Calculation Date.

##### **Lebanese Pound**

**“LBP BDLX” or “LBP01”** each means that the Spot Rate for a Rate Calculation Date will be the Lebanese Pound/U.S. Dollar Specified Rate, expressed as the amount of Lebanese Pounds per one U.S. Dollar, for settlement in two Business Days which appears on the Reuters Screen BDLX Page as of 12:00 noon, Beirut time, on that Rate Calculation Date.

##### **Moroccan Dirham**

**“MAD OFFICIAL RATE” or “MAD01”** each means that the Spot Rate for a Rate Calculation Date will be the Moroccan Dirham/U.S. Dollar Specified Rate, expressed as the amount of Moroccan Dirham per one U.S. Dollar, for settlement in two Business Days reported by the Central Bank of Morocco as of 1:00 p.m., Rabat time, on that Rate Calculation Date.

## 11 Payments and Talons

### (a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 11(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 11(f)(vi)), as the case may be:

- (i) in the case of a currency other than euro, Japanese yen, Renminbi, at the specified office of any Paying Agent outside the United States and Australia by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency;
- (ii) in the case of euro, at the specified office of any Paying Agent outside the United States and Australia by a cheque payable in euro drawn on, or, at the option of the holder, by transfer to an account denominated in euro, in a city in which banks have access to TARGET;
- (iii) in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan); and
- (iv) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

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

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

### (b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 11(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 11(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (A) on the 15th day before the due date for payment thereof or (B) in the case of Renminbi, on the fifth day before the due date for payment thereof or (C) in case of Registered Notes to be cleared through DTC, on the 15th DTC business day before the due date for payment thereof (the “**Record Date**”). For the

purpose of this Condition 11(b), “**DTC business day**” means any day on which DTC is open for business. Payments of interest on each Registered Note shall be made:

- (A) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a bank mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register, provided that no such cheque will be mailed to an address in Australia. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to TARGET and, in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan); and
- (B) in the case of Renminbi, by transfer to the registered account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(iii) Payments through DTC: Registered Notes, if specified in the relevant Final Terms, will be issued in the form of one or more Global Certificates and may be registered in the name of or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in U.S. Dollars will be made in accordance with subparagraphs (i) and (ii) above. Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. Dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. Dollars, will cause the Exchange Agent to deliver such U.S. Dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

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

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

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

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction or other laws to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements but without prejudice to the provisions of Condition 12. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(e) *Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent and the Calculation Agent initially appointed by the Issuer and its respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Registrar, any Transfer Agent, the Exchange Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes in Luxembourg, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) an Exchange Agent, (vii) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed, (viii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (ix) in respect of SIS Notes only, a Paying Agent having a specified office in Switzerland (and will at no time maintain a Paying Agent having a specified office outside Switzerland in relation to such SIS Notes).

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

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

**(f) *Unmatured Coupons and Receipts and unexchanged Talons***

(i) Upon the due date for redemption of Bearer Notes (other than Floating Rate Notes, Inverse Floating Rate Notes, CMS Linked Notes, Range Accrual Notes, Dual Currency Notes, Index Linked Notes, Equity Linked Notes or FX Linked Notes), they should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 13).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Inverse Floating Rate Note, CMS Linked Note, Range Accrual Note, Dual Currency Note, Index Linked Note, an Equity Linked Note or an FX Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

**(g) *Talons***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 13).

**(h) *Non-Business Days***

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

The relevant Final Terms shall specify whether Condition 11(h)(i)(A) or 11(h)(i)(B) is applicable. If neither Condition is specified in the relevant Final Terms, Condition 11(h)(i)(A) shall apply.

(ii) In this Condition 11(h) and Condition 11(i) below, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the relevant Final Terms and:

- (A) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which in the case of Australian Dollars shall be Sydney and in the case of New Zealand Dollars shall be Wellington); or
- (B) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets are open for business and settlement of payments in Renminbi in Hong Kong; or
- (C) (in the case of a payment in euro) which is a TARGET Business Day.

*(i) Payment of Alternative Currency Equivalent*

Where Alternative Currency Equivalent is specified in the relevant Final Terms as being applicable to a Series of Notes, if (following a written request from the Issuer that the Alternative Currency Adjudication Agent makes a determination pursuant to this Condition 11(i)), by reason of a Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Issuer to satisfy any payment obligation in respect of the Notes when due in the Scheduled Payment Currency, then the Issuer may take the actions described in sub-paragraphs (i), (ii), (iii) and/or (iv) below, as specified in the relevant Final Terms:

- (i) determine that the relevant payment of the Issuer in respect of the Notes be postponed by the number of Business Days (such number, the “**Maximum Days of Postponement**”) specified in the relevant Final Terms, after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, in the determination of the Alternative Currency Adjudication Agent or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter, in which case, the relevant payment will be due on the date as so postponed, without any interest or other sum payable in respect of the postponement of the payment of such amount;
- (ii) determine that the Issuer’s obligation to make any payment in respect of the Notes in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative Currency Equivalent of such payment, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the due date for payment;
- (iii) determine that the relevant payment in respect of the Notes be postponed by the Maximum Days of Postponement after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, or, if, in the determination of the Alternative Currency Adjudication Agent, that would not be commercially reasonable, as soon as commercially reasonable thereafter (such postponed payment date, the “**Postponed Payment Date**”), and that the Issuer’s obligation to make payments in respect of the Notes in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative

Currency Equivalent, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the Postponed Payment Date, without any interest or other sum payable in respect of the postponement of the payment of such amount; or

- (iv) give notice to the Noteholders in accordance with Condition 18 and redeem all, but not some only, of the Notes on a date selected by the Issuer, by payment of the Alternative Currency Equivalent of, or, if so specified in such notice, an amount in the Scheduled Payment Currency equal to, the Early Redemption Amount to each Noteholder in respect of each Note held by such Noteholder.

Any payment made in the Alternative Currency under such circumstances will constitute valid payment, and will not constitute a default in respect of the Notes.

Upon the occurrence of a Scheduled Payment Currency Disruption Event and the Alternative Currency Adjudication Agent making a determination that, by reason of such Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Issuer to satisfy its payment obligations in respect of the Notes when due in the Scheduled Payment Currency, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18 stating the occurrence of the Scheduled Payment Currency Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

In making any determination in respect of any Scheduled Payment Currency Disruption Event, neither the Issuer nor the Alternative Currency Adjudication Agent shall have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Noteholder shall be entitled to claim from the Issuer, the Alternative Currency Adjudication Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11(i) by the Issuer or the Alternative Currency Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

As used herein:

**“Alternative Currency”** means the currency specified as such hereon (or any lawful successor currency to that currency), or, if no Alternative Currency is specified in the relevant Final Terms, U.S. Dollars;

**“Alternative Currency Adjudication Agent”** means the Alternative Currency Adjudication Agent specified in the relevant Final Terms (or any lawful successor thereto);

**“Alternative Currency Calculation Agent”** means the Alternative Currency Calculation Agent specified in the relevant Final Terms (or any lawful successor thereto);

**“Alternative Currency Equivalent”** means (i) where the Alternative Currency is U.S. Dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency using the Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent, and (ii) where the Alternative Currency

is a currency other than U.S. Dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency by (i) converting such amount into an amount expressed in U.S. Dollars using the Spot Rate for the relevant Rate Calculation Date, and multiplying the resultant U.S. Dollar amount by the USD Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent;

**“Governmental Authority”** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Scheduled Payment Currency Jurisdiction;

**“Illiquidity”** means (i) in respect of any payment obligation in respect of the Notes of any sum, foreign exchange markets for the Scheduled Payment Currency becoming illiquid (including, without limitation, the existence of any significant price distortion) or unavailable as a result of which it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its affiliates to obtain a sufficient amount of the Scheduled Payment Currency in order to satisfy any such obligation or (ii) it becomes impossible or impracticable to obtain a firm quote for exchange of the Scheduled Payment Currency into the Alternative Currency, in each case, as determined by the Alternative Currency Adjudication Agent in its sole and absolute discretion;

**“Inconvertibility”** means, in respect of any payment or obligation in respect of the Notes, the occurrence of any event that makes it impossible, illegal or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its affiliates to convert any amount due in respect of the Notes in the foreign exchange markets for the Scheduled Payment Currency (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency) other than where such impossibility or impracticability is due solely to the failure of the Issuer and/or any of its affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**“Non-transferability”** means, in respect of any payment obligation in respect of the Notes, the occurrence of any event that makes it impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its affiliates to deliver the Scheduled Payment Currency in relation to any such payment obligation between accounts inside the Scheduled Payment Currency Jurisdiction or between an account inside the Scheduled Payment Currency Jurisdiction and an account outside the Scheduled Payment Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the Issuer and/or any of its affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

**“Rate Calculation Business Day”** means, unless otherwise specified in the relevant Final Terms, a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the Rate Calculation Jurisdiction;

**“Rate Calculation Date”** means the day which is the number of Rate Calculation Business Days specified in the relevant Final Terms before the due date for payment of the relevant amount under the Notes or, unless specified otherwise hereon, if the relevant Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Spot Rate was most recently available, as determined by the Alternative Currency Calculation Agent;

**“Rate Calculation Jurisdiction”** means the jurisdiction(s) specified in the relevant Final Terms;

**“Scheduled Payment Currency”** means the Specified Currency;

**“Scheduled Payment Currency Disruption Event”** means, in respect of a Scheduled Payment Currency:

- (i) Inconvertibility;
- (ii) Non-transferability;
- (iii) Illiquidity;
- (iv) the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the currency risk of the Issuer issuing and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and/or
- (v) in the case of Exempt Notes only, any other event specified as a Scheduled Payment Currency Disruption Event hereon;

**“Scheduled Payment Currency Jurisdiction”** means the primary jurisdiction for which the Scheduled Payment Currency is the lawful currency;

**“Settlement Rate Option”** means, unless otherwise specified in the relevant Final Terms, the specified “Settlement Rate Option” as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee and where (if applicable), for the purposes thereof, **“Specified Time”** shall have the meaning given to it in the relevant Final Terms;

**“Spot Rate”** means, in respect of a Rate Calculation Date, unless otherwise specified in the relevant Final Terms, the spot exchange rate for the purchase of U.S. Dollars with the Scheduled Payment Currency determined in accordance with the Settlement Rate Option specified in the relevant Final Terms, provided that, if such Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the Spot Rate (or a method for determining the Spot Rate), taking into consideration all available information that it deems relevant;

**“Trade Date”** means each date on which the Issuer concludes an agreement with one or more Dealers for the issue and sale of Notes which, in the case of a syndicated issue, shall be the execution date of the relevant subscription agreement;

**“USD Settlement Rate Option”** means, unless otherwise specified in the relevant Final Terms, any Settlement Rate Option for the exchange of U.S. Dollars into the Alternative Currency, as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee and where (if applicable), for the purposes thereof, **“Specified Time”** shall have the meaning given to it in the relevant Final Terms; and

**"USD Spot Rate"** means, for a Rate Calculation Date, unless otherwise specified in the relevant Final Terms, the spot exchange rate for the purchase of the Alternative Currency with U.S. Dollars in accordance with the USD Settlement Rate Option specified in the relevant Final Terms, provided that, if such USD Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the USD Spot Rate (or a method for determining the USD Spot Rate), taking into consideration all available information that it deems relevant.

## 12 Taxation

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

- (a) in the country of incorporation of the Issuer (or, in the case of Rabobank Australia Branch, Australia or, in the case of Rabobank Singapore Branch, Singapore) (each, as the case may be, a "**Relevant Taxing Jurisdiction**");
- (b) in a Relevant Taxing Jurisdiction of the Issuer (wherein and whereof the Issuer is obliged to withhold tax) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such Relevant Taxing Jurisdiction in respect of such Note, Receipt or Coupon by reason of, or partly by reason of, such holder having some connection with the Relevant Taxing Jurisdiction of the Issuer other than by reason only of holding such Note or Coupon or the receipt of the relevant payment in respect thereof;
- (c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment;
- (d) where such deduction or withholding is imposed on a payment to an individual 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 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (e) (except in the case of Registered Notes) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union;
- (f) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the expiry of such period of 30 days;

- (g) if the Issuer and the relevant Dealer or Dealers in respect of any issue as set forth in the relevant Final Terms provide in the relevant Final Terms that the Notes are Domestic Notes for the purpose of this Condition 12; or
- (h) in relation to Notes issued by Rabobank Australia Branch, if such Additional Amounts are payable by reason of the Noteholder:
  - (i) being an associate of the Issuer for the purposes of section 128F(6) of the Income Tax Assessment Act 1936 of Australia;
  - (ii) in respect of Registered Notes, failing to provide its tax file number, Australian business number or proof of a relevant exemption prior to the relevant Record Date for that payment; or
  - (iii) being a resident of Australia or a non-resident of Australia acting through a permanent establishment in Australia and holding bearer Notes other than through a clearing house.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Obligatory Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any Additional Amounts that may be payable under this Condition 12.

### 13 Prescription

Claims against the Issuer for payment of principal or interest in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

### 14 Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, the holder of any Note may, by written notice to the Issuer at its specified office, declare such Note to be forthwith due and payable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Notes; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (c) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such

failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer, provided that, in each case, no Event of Default shall be deemed to have occurred if the Issuer shall contest its liability in good faith or shall have been ordered not to make such payment by a competent court; or

- (d) 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 Noteholders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of Rabobank Nederland, Rabobank Australia Branch or Rabobank Singapore Branch; or
- (e) the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (f) the Issuer shall cease to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

## **15 Meeting of Noteholders, modifications and substitutions**

### **(a) Meetings of Noteholders**

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

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

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

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

**(b) *Modification and amendment of Agency Agreement***

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 Noteholders.

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, Exchange Agent, Calculation 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.

**(c) *Substitution of the Issuer***

(i) The Issuer or any previous substitute of the Issuer under this Condition 15 may, and the Noteholders and the Couponholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this Condition 15 may, at any time, be substituted by any company (incorporated in any country in the world) controlling, controlled by or under common control with Rabobank Nederland as the principal debtor in respect of the Notes or to undertake its obligations in respect of the Notes through any of its branches (any such company or branch, the "**Substituted Debtor**"), provided that:

- (A) such documents shall be executed by the Substituted Debtor and (if the Substituted Debtor is not the Issuer) the Issuer or any previous substitute as aforesaid as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by these Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer or any previous substitute as aforesaid;
- (B) without prejudice to the generality of sub-paragraph (A) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands (where the Issuer is Rabobank Nederland acting through its head office), Australia (where the Issuer is Rabobank Australia Branch) or Singapore (where the Issuer is Rabobank Singapore Branch), or is undertaking its

obligations with respect to the Notes through a branch in another such territory, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 12 above with the substitution for the references to the Netherlands, Australia or Singapore as appropriate (or any previously substituted territory as the case may be) with territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes or, where such Issuer is undertaking its obligations with respect to the Notes through a branch, with the addition of references to the territory in which such branch is located;

- (C) the Documents shall contain a warranty and representation (I) that the Substituted Debtor and the Issuer (or any previous substitute as aforesaid) have obtained all necessary governmental and regulatory approvals and consents for such substitution and (if the Substituted Debtor is not Rabobank Nederland) for the giving by Rabobank Nederland of the Substitution Guarantee (as defined below) in respect of the obligations of the Substituted Debtor, that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (II) that the obligations assumed by the Substituted Debtor and (if the Substituted Debtor is not Rabobank Nederland) the Substitution Guarantee (as defined below) given by Rabobank Nederland are each valid and binding in accordance with their respective terms and enforceable by each Noteholder and that, in the case of the Issuer undertaking its obligations with respect to the Notes through a branch, the Notes remain the valid and binding obligations of such Issuer;
- (D) Condition 14 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Substitution Guarantee (as defined below) shall cease to be valid or binding on or enforceable against Rabobank Nederland; and
- (E) a supplemental Base Prospectus produced and (I) submitted to the AFM for approval, and (II) following such approval be published in accordance with Article 14 of the Prospectus Directive,

and (if the Substituted Debtor is not Rabobank Nederland) upon the Documents becoming valid and binding obligations of the Substituted Debtor, Rabobank Nederland hereby irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee of Rabobank Nederland herein referred to as the "**Substitution Guarantee**" and being substantially in the form of the Guarantee contained in Schedule 9 of the Agency Agreement, which shall apply *mutatis mutandis* to issues of Notes by the Substituted Debtor).

- (ii) Upon the Documents becoming valid and binding obligations of the Substituted Debtor and (if the Substituted Debtor is not the Issuer) the Issuer and subject to notice having been given in accordance with sub-paragraph (iv) below, the Substituted Debtor shall be deemed to be named in the Notes and Coupons as the principal debtor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Notes and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in sub-paragraph (iv) below shall, in the case of the substitution of any other company as principal debtor, operate to release the

Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes and Coupons.

- (iii) The Documents referred to in sub-paragraph (i) above shall be deposited with and held by the Fiscal Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor or (if the Substituted Debtor is not the Issuer) the Issuer by any Noteholder and Couponholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and (if the Substituted Debtor is not the Issuer) the Issuer acknowledge the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes and Coupons or the Documents.
- (iv) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 18.
- (v) For the purposes of this Condition 15, the term "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in relationship to such first-mentioned company, and, for this purpose, "**voting shares**" means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof, and "**controlling**", "**controlled**" and "**under common control**" shall be construed accordingly.

## **16 Replacement of Notes, Certificates, Receipts, Coupons and Talons**

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

## **17 Further Issues**

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

## **18 Notices**

Notices to the holders of Registered Notes shall be published in accordance with the procedure set out in this Condition 18 for Bearer Notes and shall be mailed to them at their respective addresses in

the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), respectively. If any such publication is not practicable, notice shall be validly given if published in another leading daily English-language newspaper with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

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

Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 18.

## **19 Governing Law and Jurisdiction**

### **(a) Governing law**

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

### **(b) Jurisdiction**

The competent courts of Amsterdam, the Netherlands (and, in the case of Rabobank Nederland, also the United States Federal and New York State courts sitting in New York City, the Borough of Manhattan) are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

### **(c) Service of process**

Rabobank Nederland irrevocably appoints its New York branch at 245 Park Avenue, New York, New York 10167 as its agent in New York to receive, for it and on its behalf, service of process in any Proceedings in New York. Such service shall be deemed completed on delivery to the relevant process agent (whether or not it is forwarded to and received by Rabobank Nederland). If for any reason either process agent ceases to be able to act as such or no longer has an address in Utrecht or New York City, Rabobank Nederland irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 18. Nothing shall affect the right to serve process in any manner permitted by law. For

the avoidance of doubt, service of process upon Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands will also constitute service of process upon Rabobank Australia Branch and Rabobank Singapore Branch.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial issue of Notes

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

- (a) if the Global Notes are stated in the relevant Final Terms not to be issued in NGN form, in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, the Global Notes will be deposited with a common depositary (the "**Common Depository**") for Euroclear and Clearstream, Luxembourg on or prior to the original issue date of the Tranche; or
- (b) if the Global Notes are stated in the relevant Final Terms not to be issued in NGN form, in the case of a Tranche intended to be cleared through an Alternative Clearing System (as defined in 3.2.2 below), the Global Notes will be deposited as otherwise agreed between the Issuer and the relevant Dealer, on or about the issue date of the relevant Notes; or
- (c) if the Global Notes are stated in the relevant Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper.

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

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

Upon deposit of the temporary Global Note(s) (if the Global Note(s) are in CGN form) with the Common Depository or registration of the Registered Notes (in respect of Global Certificates which are not held under the NSS) in the name of the nominee for Euroclear and/or Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid and, in the case of Notes held through Euroclear France, the *intermédiaires habilités* (each, an "**Approved Intermediary**") who are entitled, directly or indirectly, to hold such Notes according to the records of Euroclear France, will likewise credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

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

Upon the initial deposit of a Global Certificate which is not held under the NSS and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to a custodian for DTC, DTC will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

## **2 Relationship of accountholders with Clearing Systems**

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

## **3 Exchange**

### **3.1 Temporary Global Notes**

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

- 3.1.1 if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "General Description of the Programme — Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and
- 3.1.2 otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Terms and Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 3.2.1 below, Registered Notes:

- 3.2.1 if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and

3.2.2 otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

### **3.3 Unrestricted Global Certificates**

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

- 3.3.1 if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- 3.3.2 if principal in respect of any Note is not paid when due; or
- 3.3.3 with the consent of the Issuer,

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

### **3.4 Restricted Global Certificates**

If the Final Terms state that the Restricted Notes issued by Rabobank Nederland are to be represented by a Restricted Global Certificate on issue, transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 3(b) may only be made in part:

- 3.4.1 if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System (except for DTC) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- 3.4.2 if such Notes are held on behalf of a custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- 3.4.3 if principal in respect of any Note is not paid when due; or
- 3.4.4 with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to 3.4.1 or 3.4.2 above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out under “Transfer Restrictions”.

### **3.5 Partial exchange of permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

### **3.6 Delivery of Notes**

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

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

### **3.7 Exchange Date**

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

### **3.8 Legend**

Each Global Note and any Bearer Note, Talon, Coupon or Receipt issued in compliance with the D Rules under TEFRA will bear the following legend:

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

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

In the case of Restricted Notes issued by Rabobank Nederland, each Restricted Global Certificate and each Certificate issued in exchange for a beneficial interest in a Restricted Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under "Transfer Restrictions".

## **4 Amendment to Conditions**

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

### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Conditions 10(e)(viii) and 11(v) will apply to Definitive Notes only. If the Global Note is an NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 11(h).

### **4.2 Prescription**

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

### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled

to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

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

#### **4.5 Purchase**

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

#### **4.6 Issuer's option**

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

#### **4.7 Noteholders' options**

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

#### **4.8 NGN nominal amount**

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

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 14 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a

Covenant executed by the Issuer and the Fiscal Agent on 9 May 2012 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes represented by such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **4.10 Notices**

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

#### **4.11 Record Date in respect of Registered Notes**

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

### **5 Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes (subject to the provisions of the relevant Final Terms and relevant provisions of law) and shall have no further obligation to their holder in respect of them.

### **6 Electronic Consent and Written Resolution**

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

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

convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and has taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## 7 SIS Notes

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

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

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

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

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

## **USE OF PROCEEDS**

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

## CLEARING AND SETTLEMENT

### **Bearer Notes**

The Issuer may make applications in respect of Notes in CGN form to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes in CGN form, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a Common Depositary for Clearstream, Luxembourg and/or Euroclear or an Alternative Clearing System as agreed between the Issuer and Dealer. Transfers of interests in such temporary Global Notes in CGN form or permanent Global Notes in CGN form will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the Alternative Clearing System. The Issuer may make applications in respect of Notes in NGN form, to the Common Safekeeper for acceptance in its book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes in NGN form, a temporary Global Note and/or a permanent Global Note in bearer form without coupons will be deposited with the Common Safekeeper. Transfers of interests in such temporary Global Notes in NGN form, or permanent Global Notes in NGN form will be made in accordance with the normal operating procedures of the Common Safekeeper. Each Global Note deposited with the Common Safekeeper or with a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code.

The Issuer may, from time to time, elect that a temporary Global Note or a permanent Global Note issued in CGN form or NGN form may be exchanged for a temporary Global Note or a permanent Global Note issued in NGN form or CGN form (as the case may be), in accordance with the practices and procedures of Euroclear and Clearstream, Luxembourg. Any such exchange shall be effected at the sole discretion of the Issuer and shall not modify or amend the terms and conditions of the relevant series of Notes, including the principal amount, the rate of interest and the date or frequency of any interest payment dates. Save as may be required under the Conditions or pursuant to applicable law and regulation, the Issuer does not intend to seek the consent of Noteholders in connection with any such exchange.

### **Registered Notes**

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of the Notes to be represented by an Unrestricted Global Certificate or (in the case of Restricted Notes issued by Rabobank Nederland) a Restricted Global Certificate. Each Unrestricted Global Certificate or (in the case of Restricted Notes issued by Rabobank Nederland) Restricted Global Certificate deposited with (i) (in respect of Registered Notes which are not held under the NSS) a Common Depositary on behalf of, or (ii) (in respect of Registered Notes which are held under the NSS) a Common Safekeeper on behalf of, Clearstream, Luxembourg and/or Euroclear will have an ISIN and a Common Code.

Rabobank Nederland and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes issued by Rabobank Nederland represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the custodian, with whom the Restricted Global Certificates are deposited, and DTC will electronically record the nominal amount of the Restricted Notes held within the DTC system. Investors in Notes of such

Tranche may hold their beneficial interests in an Unrestricted Global Certificate only through Clearstream, Luxembourg or Euroclear. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to or to the order of its nominee as the registered owner of such Restricted Global Certificate. Rabobank Nederland expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. Rabobank Nederland also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of Rabobank Nederland, any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Restricted Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or (in the case of Restricted Notes issued by Rabobank Nederland) a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the relevant Final Terms, and, in the case of Notes initially represented by a Restricted Global Certificate, in amounts of U.S.\$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of U.S.\$1,000, in certain limited circumstances described below.

### **Transfers of Registered Notes**

Transfers of interests in Global Certificates within DTC, Clearstream, Luxembourg and Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global 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 the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through Clearstream, Luxembourg or Euroclear. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of Notes, provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "Plan of Distribution") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Clearstream, Luxembourg or Euroclear by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent of details of that account at either Euroclear or

Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Fiscal Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and/or Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the custodian and the Registrar receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "Transfer Restrictions".

DTC has advised Rabobank Nederland that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised Rabobank Nederland 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. Direct 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.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the custodian, Restricted Notes represented by individual Certificates will not be eligible for clearing or settlement through DTC, Clearstream, Luxembourg or Euroclear.

### **Individual Certificates**

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream, Luxembourg and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form — Exchange — Restricted Global Certificates" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form — Exchange — Unrestricted Global Certificates". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and
- (ii) in the case of a Restricted Global 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 resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

### **Pre-issue trades settlement**

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Registered Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

### **General**

For a listing on Euronext Amsterdam, Nederlands Centraal Instituut voor Giraal Effecten-verkeer B.V. or its legal successor will be involved in clearing and settlement.

## DESCRIPTION OF BUSINESS OF RABOBANK GROUP

### General

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 31 December 2012, it comprised 136 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 43 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions (source: *The Banker*).

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 826 branches and 2,886 cash-dispensing machines at 31 December 2012, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.6 million retail clients, and approximately 0.8 million wholesale clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (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.

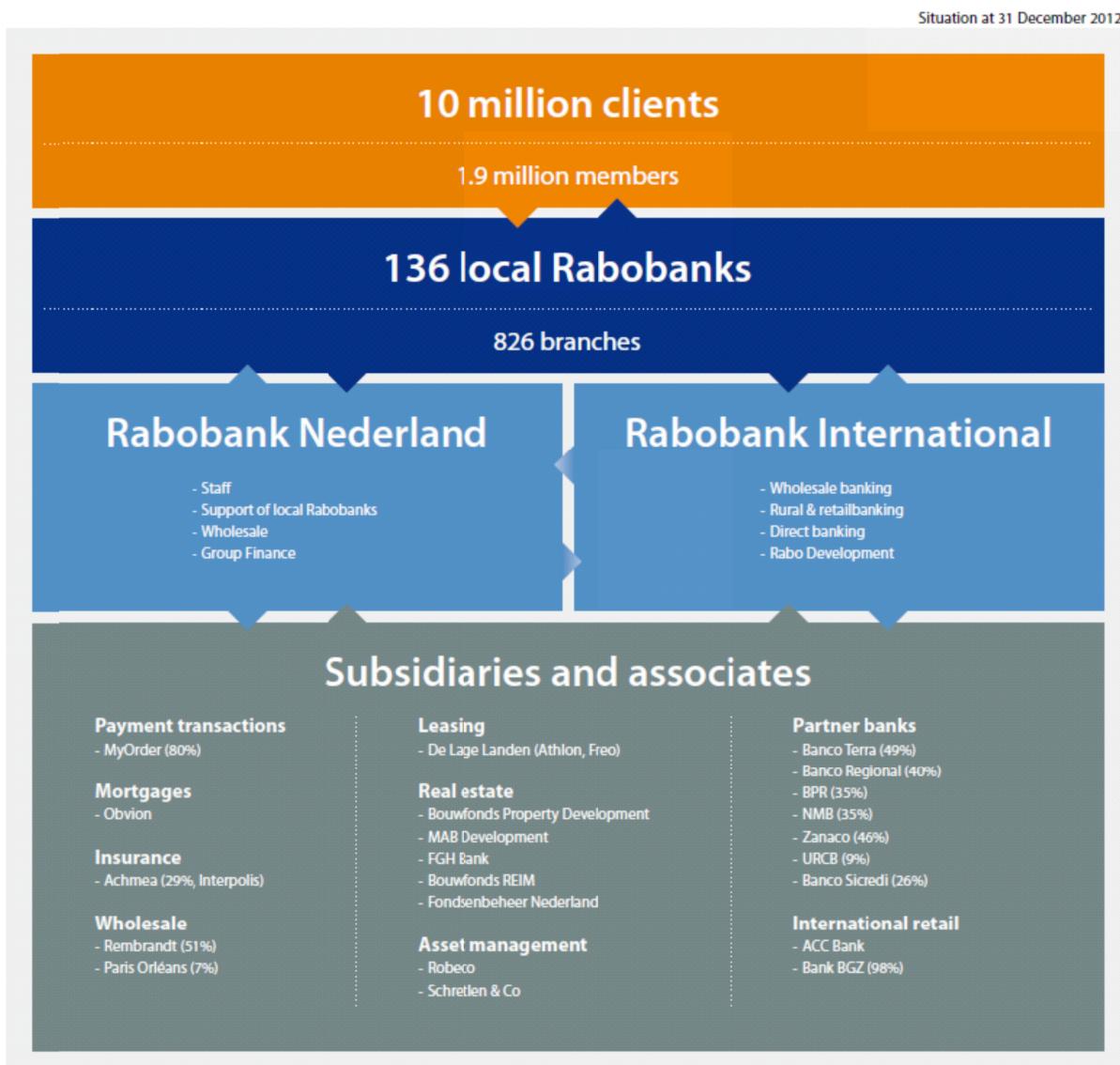
Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As 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 become 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 banking and international retail banking, asset management, 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 31 December 2012, Rabobank Group had total assets of €752.4 billion, a private sector loan portfolio of €458.1 billion, amounts due to customers of €334.3 billion, savings deposits of €149.7 billion and equity of €44.6 billion. Of the private sector loan portfolio, €220.0 billion, virtually all of which were mortgages, consisted of loans to private individuals, €145.6 billion of loans to the trade, industry and services sector and €92.4 billion of loans to the food and agri sector. At 31 December 2012, its core Tier 1 ratio, which is the ratio between core Tier 1 capital and total risk-weighted assets, was 13.2 per cent. and its Tier 1 ratio, which is the ratio between Tier 1 capital and total risk-weighted assets, was 17.2 per cent. For the year ended 31 December 2012, Rabobank Group's efficiency ratio, which is the ratio between total operating expenses and total income, was 65.6 per cent., and the return on equity, or net profit expressed as a percentage of Tier 1 capital, was 5.6 per cent. For the year ended 31 December 2012, Rabobank Group realised a net profit of €2,112 million and a risk-adjusted return on capital ("RAROC"), which is the ratio between net profit and average economic capital, of 9.0 per cent. after tax.

At 31 December 2012, Rabobank Group had 59,628 full-time employees. For the year ended 31 December 2012, the rate of absenteeism was 3.6 per cent.

### Rabobank Group

## Rabobank Group organisation chart



### Business activities of Rabobank Group

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

### **Domestic retail banking**

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. ("Obvion") and Rabohypotheekbank N.V. ("Rabohypotheekbank"). In the Netherlands, Rabobank is a large 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.

At 31 December 2012, Rabobank Group's domestic retail banking operations had total assets of €386.1 billion, a private sector loan portfolio of €306.5 billion, amounts due to customers of €213.9 billion and savings deposits of €124.7 billion. For the year ended 31 December 2012, Rabobank Group's domestic retail banking operations accounted for 54 per cent., or €7,289 million, of Rabobank Group's total income and 62 per cent., or €1,304 million, of Rabobank Group's net profit. At 31 December 2012, Rabobank Group's domestic retail banking operations employed approximately 28,700 full-time employees.

#### **Local Rabobanks**

The 136 (at 31 December 2012) local Rabobanks are independent cooperative entities, each with their own operating areas. With 826 branches and 2,886 cash-dispensing machines at 31 December 2012, they together comprise one of the leading local banks in the Netherlands with a dense branch network. Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and mobile telephones. Together, the local Rabobanks serve approximately 6.6 million retail clients and approximately 0.8 million wholesale clients in the Netherlands with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with the local Rabobanks. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks traditionally have had close ties with the agricultural sector and, together, they are the largest insurance broker in the Netherlands (source: Insurance Magazine Yearbook 2012 (AM Jaarboek 2012)).

#### **Obvion N.V.**

Obvion is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers.

#### **Rabohypotheekbank**

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and was owned 100 per cent. by Rabobank Nederland as at 31 December 2012.

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 31 December 2012, Rabohypotheekbank had assets of €7.0 billion.

## **Wholesale banking 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 and agri sector. Rabobank International is a division of Rabobank Nederland and has a presence in 30 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, Global Client Solutions, Acquisition 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. Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Global Client Solutions offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The 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 Australia, Belgium, Germany, Ireland, New Zealand and Poland.

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 had a 98 per cent. stake at 31 December 2012.

Over the last few years, Rabobank International has strengthened its position in retail banking. In 2010, Rabobank acquired Napa Community Bank as well as specific assets and liabilities of Butte Community Bank and Pacific State Bank in California.

In addition, Rabobank International has interests in private equity. Under the Rabo Capital label, 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 31 December 2012, Rabobank Group's wholesale banking and international retail banking operations had total assets of €530.4 billion and a private sector loan portfolio of €107.5 billion. For the year ended 31 December 2012, Rabobank Group's wholesale banking and international retail banking operations accounted for 30 per cent., or €4,005 million, of Rabobank Group's total income and 33 per cent., or €704 million, of Rabobank Group's net profit. At 31 December 2012, Rabobank Group's wholesale banking and international retail banking operations had approximately 15,800 full-time employees.

### **Asset management**

Rabobank Group's asset management business is handled by Robeco Group N.V. ("Robeco"), an asset manager with global operations and by Schretlen & Co N.V. ("Schretlen & Co"), a Dutch private bank. In February 2013, Rabobank signed a sale agreement with ORIX Corporation ("Orix"), a Japanese financial services provider relating to the sale of Robeco, which (subject to certain regulatory approvals and consents) is expected to be consummated in the six months following the date of this Base Prospectus.

At 31 December 2012, the assets under management and held in custody for clients of Rabobank Group's asset management operations amounted to €221.2 billion. For the year ended 31 December 2012, Rabobank Group's asset management operations accounted for 2 per cent., or €280 million, of

Rabobank Group's total income and 10 per cent., or €216 million, of Rabobank Group's net profit. At 31 December 2012, Rabobank Group's asset management operations had approximately 1,400 full-time employees.

#### *Robeco Groep N.V.*

Robeco was founded in Rotterdam in 1929. It provides investment products and services to both institutional and 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 and money market funds and alternative investments funds. In addition to its offices in the Netherlands, Robeco has branches in Europe, the United States, Asia and the Middle East.

Rabobank Nederland will continue to own a 100 per cent. equity interest in Robeco until the completion of the sale described above. 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 31 December 2012. See the section entitled "Recent developments – Sale of Robeco" for more information regarding the proposed sale of Robeco.

For the year ended 31 December 2012, Robeco's net profit was €197 million, corresponding to a profit of €43.5 per share. At 31 December 2012, Rabobank Nederland's liabilities to Robeco amounted to €890 million (bonds), €655 million (current accounts), €0 million (loans and deposits) and €10 million (derivatives). At 31 December 2012, Rabobank Nederland's claims on Robeco amounted to €249 million (loans), €27 million (current accounts), €2 million (professional securities transactions) and €136 million (derivatives).

At 31 December 2012, Robeco managed €188.9 billion in assets.

#### *Schretlen & Co N.V.*

Schretlen & Co is the asset management specialist within Rabobank Group. The business is focused primarily on high net-worth individuals and medium-sized institutional investors in the Netherlands. Its core activities comprise asset management and advice, combined with estate planning. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Rabobank Nederland owns a 100 per cent. equity interest in Schretlen & Co.

At 31 December 2012, Schretlen & Co managed €8.6 billion in assets.

#### *Leasing, De Lage Landen International B.V.*

De Lage Landen International B.V. ("De Lage Landen") is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 36 countries. With its innovative finance programmes, De Lage Landen stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Landen strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand.

Rabobank Nederland owned a 100 per cent. equity interest in De Lage Landen at 31 December 2012. 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 31 December 2012, Rabobank Nederland's liabilities to De Lage Landen amounted to €1,029 million. At 31 December 2012, Rabobank Nederland's claims on De Lage Landen amounted to €23,425 million (loans, current accounts, financial assets and derivatives). All liabilities of De Lage Landen are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

At 31 December 2012, De Lage Landen had a lease portfolio of €29.6 billion. For the year ended 31 December 2012, De Lage Landen accounted for 11 per cent., or €1,457 million, of Rabobank Group's total income and 17 per cent., or €367 million, of Rabobank Group's net profit. At 31 December 2012 Rabobank Group's leasing operations employed approximately 5,100 full-time employees.

#### ***Real estate, Rabo Vastgoedgroep Holding N.V.***

Rabo Real Estate Group (Rabo Vastgoedgroep Holding N.V. ("Rabo Vastgoedgroep")) is a prominent real estate enterprise. It operates in the private and corporate markets and has three core activities: residential and commercial real estate development, real estate finance and serving real estate investors. Bouwfonds Property Development is responsible for residential development and MAB Development for the development of commercial real estate. Financing commercial real estate is done by FGH Bank N.V. ("FGH Bank"). Bouwfonds REIM is responsible for real estate-related investments. In addition to these three core activities, Rabo Real Estate Group contributes to social real estate development and financing through Fondsenbeheer Nederland. Rabo Real Estate Group operates mainly in the Netherlands, France and Germany.

For the year ended 31 December 2012, the Rabo Real Estate Group sold 6,312 houses. At 31 December 2012, Rabo Real Estate Group managed €5.5 billion of real estate assets and its loan portfolio amounted to €19.2 billion. For the year ended 31 December 2012, the real estate operations accounted for 3 per cent., or €451 million, of Rabobank Group's total income and (5) per cent., or €(107) million, of Rabobank Group's net profit. At 31 December 2012, Rabobank Group's real estate operations had approximately 1,500 full-time employees.

#### **Participations**

##### ***Achmea B.V.***

At 31 December 2012, Rabobank had a 29 per cent. interest in Achmea B.V. ("Achmea"). Rabobank does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in Rabobank's financial statements. Achmea is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. At 31 December 2012, Achmea had a workforce of approximately 18,900 full-time equivalents, and Achmea is the market leader in the area of insurance in the Netherlands (source: Achmea Annual Report 2012), where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Achmea occupies a relatively minor position outside the Netherlands, operating in seven other European countries. Rabobank and Achmea work closely together in the area of insurance. Achmea operates in the Dutch domestic market with brands including Centraal Beheer Achmea, FBTO, InShared, Interpolis, Avéro Achmea, Zilveren Kruis Achmea, Agis Zorgverzekeringen, De Friesland Zorgverzekeraar and Syntrus. Interpolis is the prime supplier of insurance products to clients of the local Rabobanks, offering a broad range of non-life, health and life insurance policies for both private individuals and enterprises. Serving over a million private individuals and several hundreds of thousands of enterprises, Interpolis is one of the major players in the Dutch insurance market and in the agricultural sector.

#### **Recent developments**

##### ***Sale of Robeco***

Rabobank signed a sale agreement with Orix in February 2013 relating to the sale of Robeco. Orix will acquire over 90 per cent. of the Robeco shares in exchange for a purchase price of EUR 1,935 million. Under certain conditions, Orix has the right to terminate this agreement until 1 July 2013. The necessary regulatory approvals to effect the sale are expected to be granted within the next six months, following which the sale will be closed.

### **Rabobank Nederland to redeem Capital Securities**

After having obtained approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) Rabobank Nederland announced on 8 April 2013 that it will redeem the U.S.\$130,000,000 Perpetual Non-Cumulative Capital Securities, which were issued on 6 June 2008, on the first call date of 6 June 2013 in accordance with the terms and conditions thereof.

### **Ratings**

On 17 January 2013, Standard & Poor's confirmed the long-term counterparty credit rating of Rabobank Nederland of 'AA-'. The outlook for the long-term credit rating is stable.

On 12 March 2013, DBRS confirmed the long-term deposits and senior debt rating of Rabobank Nederland of 'AAA' with a stable trend.

On 13 March 2013, Moody's confirmed Rabobank Nederland's long-term debt and deposit ratings of 'Aa2' and changed the outlook on these ratings from stable to negative.

On 4 April 2013, Fitch confirmed the long-term issuer default rating ("IDR") of Rabobank Group of 'AA' and changed the outlook on this rating from stable to negative.

### **Strategy of Rabobank Group**

Rabobank's strategy for the period from 2013 to 2016 is outlined in a new strategic framework (the "Strategic Framework"). Rabobank wants to be close to its clients, to be at the heart of society and to focus on sustainable development. In Rabobank's view, products should be as simple as possible and should meet the needs of its clients. Employees have a key part to play in this. Rabobank engages in universal relationship banking in the Netherlands and the rest of the world, and it wants to continue to do so based on its cooperative identity and principles. The Strategic Framework was adopted in September 2012, following which it was translated into policy proposals.

#### ***A more distinctive identity***

Rabobank puts the interests of its clients first. Many clients are currently experiencing tough times. In keeping with its cooperative principles, Rabobank endeavours to help its clients through this difficult period where possible and appropriate. The cooperative identity helps to further maintain a distinctive edge. Rabobank's aim is to ensure that the cooperative principles are tangible, perceptible and visible to customers and members of Rabobank. In addition, initiatives are being developed to give members greater influence and involvement, since they are the people who keep the bank focused. Rabobank will also be more vigorous in seeking interaction with clients outside the Netherlands, for example, in the form of advisory councils or client panels.

#### ***Focusing on the Dutch market***

Rabobank has the ambition of becoming the market leader in the Netherlands in order to put it in a strong position to offer appropriate products to its clients. Sufficient scale is needed in order to innovate and develop products, and be able to operate efficiently. Rabobank already holds leading positions in the savings and mortgage markets, the SME sector and the wholesale segment. It wants to hold on to these leading positions and also strengthen its position in selected areas where it is still falling short of its targets. As a socially committed bank, Rabobank continues to take the lead in major political and social debates, such as the debates in the Netherlands regarding the housing market and home loans.

Rabobank would like to develop a model in which treating customers fairly is combined with cost levels that are in line with the rest of the market. In keeping with its cooperative principles, attempts are also being made to reduce costs on a structural basis in the Dutch retail banking business. Besides cost considerations, changing client needs in particular are forcing Rabobank to evaluate critically its branch location policy and the entire service chain, which extends from the local Rabobanks to Rabobank Nederland. Standardisation and virtualisation is expected ultimately to lead to better customer service at

lower costs, which, in turn, will lead to a lower employee headcount. Furthermore, the local Rabobanks intend to make the most of any opportunities to introduce a greater focus on the use of cooperative dividends.

#### ***Rabobank International and subsidiaries***

Rabobank International and its subsidiaries have a part to play in maintaining Rabobank's leading position in the Dutch market. In the rest of the world, Rabobank is aiming to present itself as a cutting-edge and leading food and agri bank. In connection with this aim, Rabobank intends to further improve its services to customers of the local Rabobanks with international operations. Rabobank believes that the activities of Rabobank International and its subsidiaries need to be sufficiently focused on the food and agri sector, serve the real economy and be manageable and responsible from a risk perspective. In addition, the contribution made by different activities to achieving targets at Rabobank Group level will come under greater scrutiny. Moreover, synergies between different Rabobank Group entities will be strengthened further. In the area of investment products, the local Rabobanks have offered their clients the option of choosing between different providers for many years. As a consequence, Robeco's role within Rabobank Group has gradually changed. The distribution model for investment funds will also change on a structural basis owing to the ban on commissions due to regulatory adjustments. Partly in the light of these developments, the strategic options for Robeco were explored, resulting in the sale of the asset management subsidiary to Orix in February 2013. At 31 December 2012, Rabobank Group had a 29 per cent. equity interest in Achmea. Achmea is Rabobank's strategic partner in the area of insurance products.

#### ***Rabobank's employees***

The social landscape and banking climate are undergoing rapid change. Rabobank believes that its employees will need to adapt to these developments since they are the face of the bank and are able to make a difference. Rabobank needs, and has, employees who endorse its distinctive cooperative identity, who feel a sense of commitment to customers and who continue to work on their professional, as well as their personal, development. Rabobank intends to implement a more modest pay and benefits package that shows greater restraint in certain areas, is more in keeping with other sectors and which will gain the support of customers, members and the community.

#### ***Sustainability***

Sustainable banking is a core principle in Rabobank's Strategic Framework, which Rabobank seeks to achieve by focusing on the long term and on sustainable economic development. During 2012, a programme was launched with the aim of formulating the details of Rabobank's strategy on sustainability for the next few years, in order to facilitate the implementation of the updated Strategic Framework. Four customer promises and three sustainability themes, which serve as the starting points for this strategy, were formulated in 2012. The customer promises are:

- all of Rabobank's products and services make a transparent contribution to sustainable development;
- Rabobank gives priority to sustainable initiatives put forward by members and customers when providing access to capital, and rewards such initiatives with material financial incentives;
- Rabobank makes cutting-edge strategic knowledge available to customers; and
- Rabobank forms networks with customers with the aim of building long-term relationships and accelerating the pace of sustainable development.

These customer promises were used as a basis for defining three specific central themes:

- accelerating the transition towards a global sustainable food and agriculture business;

- promoting a circular economy; and
- strengthening vibrant communities.

These themes were selected on the basis of Rabobank Group's market position, knowledge, ambitions and cooperative roots. They are consistent with the most important local and global environmental, social and economic challenges facing Rabobank and its stakeholders. Rabobank uses these themes as a basis on which it can build a leading position in the area of sustainability. Rabobank intends to expand upon these starting points with a large number of internal and external stakeholders in 2013 to achieve specific goals over the next few years.

### ***Financial frameworks***

Adequate capital and liquidity buffers are the key elements of financial robustness. They are therefore prerequisites for, and are vital to, retaining a high credit rating and good access to professional funding. Although Rabobank does not always seek to maximise profit, healthy profit growth is important for ensuring continuity, certainty and further growth. Earnings will be under pressure in the next few years owing to low asset growth, fierce competition in the savings market, increased legislation and regulations, the costs of the ex-ante deposit guarantee scheme, the bank tax and the resolution levy. Therefore, a group-wide focus on restraint and cost reduction is necessary to achieve the desired profit growth.

In Rabobank's view, there will be little scope for growth in lending up to, and including, 2016. Demand for loans will be limited in the Netherlands owing to the state of the economy and the housing market. Elsewhere, opportunities for growth will be utilised on a selective basis. For instance, the international rural and retail banking business are expected to grow slightly in order to shore up activities in several key countries. However, the wholesale banking business and De Lage Landen have limited scope for growth. As at the date of this Base Prospectus, Rabobank's emphasis is on increasing amounts due to customers and on the further diversification of professional funding.

In the new Strategic Framework, Rabobank Group has specifically set itself the following financial targets in the areas of profitability, solvency and liquidity:

- a return on tier 1 capital of 8 per cent.;
- a core tier 1 ratio of 14 per cent. at year-end 2016; and
- a loan-to-deposit ratio of 1.3 at year-end 2016.

The loan-to-deposit ratio is the ratio of total loans to amounts due to customers. Investments in the workforce and information and communication technology ("ICT") will need to be made over the next few years in order for these ambitious targets to be achieved on schedule. Rabobank expects that it will be difficult to achieve these targets if the low economic growth seen in recent years continues until 2016.

### ***Strategy for domestic retail banking***

Rabobank is a cooperative that puts its customers' interests first and treats customers fairly. Customers are able to come to Rabobank for any mainstream financial products and services. Rabobank has the ambition of being the market leader in the Netherlands in order to put it in a strong position to offer customers product excellence. Modern distribution channels such as the internet and mobile phone technology are increasingly important in Rabobank's service provision. The local Rabobanks are aiming to consolidate and shore up their position, particularly in the higher segment of the retail market (private banking), in the wholesale market and in metropolitan areas.

### ***Strategy for wholesale banking and international retail banking***

Rabobank International focuses on both Dutch and international customers in the food and agri business sectors, and offers these customer groups professional products and services. The two key elements of Rabobank International's strategy are:

- to achieve market leadership in the Netherlands; and
- to play a leading role in the global food and agri business sectors.

A certain level of scale is needed to guarantee the best possible cost price and the highest possible quality of these products. Rabobank seeks to leverage its specialist knowledge in these sectors and its efficiencies of scale to attract and maintain a broader group of customers.

### ***Strategy for leasing***

De Lage Landen provides services to the real economy. Its operations are in keeping with Rabobank Group strategy to offer a broad range of financial services in the Netherlands. The Vendor Finance division focuses heavily on the food and agri sector and De Lage Landen has the ambition to increase its share of this market. In addition, with a view to diversification, Vendor Finance also targets a number of other sectors. De Lage Landen has extensive experience in the sectors in which it operates as well as thorough knowledge of these sectors and of the appropriate lease products. As it always has been, teamwork with other divisions of Rabobank Group is the central driving force. In the Netherlands, for instance, De Lage Landen has collaborated closely with the local Rabobanks for many years. The partnership with Rabobank International is also intensifying.

### ***Strategy for real estate***

Rabo Real Estate Group is Rabobank Group's centre of expertise in real estate; it is active in the areas of property development, property finance, investment management and community fund management. Being one of the largest real estate enterprises in Europe, Rabo Real Estate Group endeavours to strike a healthy balance between the social, economic and ecological effects of its operations. Its ambition is to rank among the top in sustainability in the property sector. Rabo Real Estate Group's mission is to help clients achieve their ambitions for living, working, shopping and leisure. Rabo Real Estate Group has several divisions. Bouwfonds Property Development develops comprehensive residential areas and small mixed-use projects. MAB Development is one of the leading commercial property developers with a focus on retail and city centre development. FGH Bank specialises in property finance and Bouwfonds REIM manages real estate investment funds. Fondsenbeheer Nederland is an independent manager of seven community funds that actively strive to improve the quality of the living environment.

### ***Strategy for asset management***

Robeco has historically formed the centre of Rabobank Group's asset management business. Following the sale of Robeco, Rabobank Group will no longer have an asset management segment, which is now presented separately in the consolidated financial statements and the Annual Report. Schretlen & Co will be included in the business area domestic retail banking, more specific Private Banking. The Annual Report for 2012 will be the last time on which Rabobank Group will report on this segment.

### ***Competition***

Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, 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 savings deposits. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, ING Group and SNS Reaal, received financial support from the Dutch government. In February 2013, SNS Reaal was nationalised by the Dutch government. These developments may affect the competitive environment in which Rabobank Group operates in the Netherlands. Rabobank expects competition in the Dutch savings market to continue in 2013.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 71 per cent. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage-lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally only have the option to prepay a certain percentage on the principal amount on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

### **Market shares in the Netherlands**

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

*Residential mortgages:* For the year ended 31 December 2012, Rabobank Group had a market share of 31.1 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (22.8 per cent. by local Rabobanks, 7.8 per cent. by Obvion and 0.5 per cent. by Friesland Bank N.V. ("Friesland Bank"); source: Dutch Land Registry Office (Kadaster)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

*Saving deposits of individuals:* At 31 December 2012, Rabobank Group had a market share of 38.8 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is one of the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits (source: Statistics Netherlands). Of the total saving deposits in the Netherlands, 36.5 per cent. are held by the local Rabobanks, 1.2 per cent. are held by Robeco Direct's savings bank Roparco and 1.1 per cent. by Friesland Bank.

*Lending to small and medium-sized enterprises:* At 31 December 2012, Rabobank Group had a market share of 43 per cent. of domestic loans to the trade, industry and services sector (i.e. enterprises with a turnover of less than €250 million; measured by Rabobank's own surveys).

*Agricultural loans:* At 31 December 2012, Rabobank Group had a market share of 85 per cent. 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 Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank believes that Rabobank Group's facilities are adequate for its present needs in all material respects.

## **Insurance**

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

## **Legal proceedings**

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 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, financial adviser, underwriter 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, Rabobank believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any threatened proceedings and litigation, will not have a material adverse or significant effect on Rabobank Group's financial condition or profitability, given its size, balance sheet, income stream and provisioning policy.

Rabobank has received subpoenas and requests for documents and information from various regulatory agencies and competition and criminal authorities in, *inter alia*, the Netherlands, the United Kingdom, the United States, Japan, Hong Kong, Singapore and Switzerland. The documents and information are requested as part of ongoing investigations conducted by the relevant agencies and authorities and concern the London Interbank Offered Rate ("LIBOR") submission processes for various currencies and the Euro Interbank Offered Rate ("EURIBOR") submission process. Rabobank was at various times a member of eight of the ten LIBOR panels and the EURIBOR panel, and is a member of the LIBOR panels for three currencies: Pounds Sterling, U.S. Dollar and Euro. Rabobank was never a member of the Tokyo Interbank Offered Rate ("TIBOR") panel. Rabobank is cooperating fully with the investigations.

Rabobank, along with other panel banks, has been named as a defendant in a number of putative class action lawsuits and private individual civil suits pending in the U.S. that assert federal and state claims relating to U.S. Dollar LIBOR, Japanese Yen LIBOR, TIBOR, and EURIBOR.

## RABOBANK GROUP STRUCTURE

Rabobank Group is comprised of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., its members being the local Rabobanks in the Netherlands and its subsidiaries and participations in the Netherlands and abroad.

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

The central institution of Rabobank Group is Rabobank Nederland. Rabobank Nederland is a licensed bank, in the legal form of a cooperative.

The objective of a cooperative is to provide for certain material needs of its members by whom it is effectively owned and controlled.

Rabobank Nederland was formed as a result of the merger of the Coöperatieve Centrale Raiffeisenbank and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was incorporated with unlimited duration on 22 December 1970 and registered with the Trade Register of the Chamber of Commerce in Utrecht, under number 30046259.

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

Rabobank uses the trade names of Rabobank Nederland in the Netherlands and Rabobank International outside of the Netherlands.

The executive offices of Rabobank Nederland are located at Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000. The statutory seat of Rabobank Nederland is Amsterdam, the Netherlands.

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

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

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

### **Local Rabobanks**

Membership of Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. The members of Rabobank Nederland, which comprise 136 local Rabobanks in the Netherlands as at 31 December 2012, are all banking cooperatives in their own right.

Each local Rabobank must hold shares in Rabobank Nederland according to an apportionment formula (the **“Apportionment Formula”**). Since 2010, approximately 6 million shares of €1,000 have been issued by Rabobank Nederland to the local Rabobanks, creating own funds of Rabobank Nederland of approximately €6 billion. In 2012, a dividend of €493 million, as approved by the General Meeting of Rabobank Nederland was distributed to the local Rabobanks and in 2013 a dividend of nil is expected to be distributed to the local Rabobanks. In previous years, such distributed dividends to the

local Rabobanks amounted to €483 million in 2011, €438 million in 2010, €342 million in 2009 and nil in 2008. At Rabobank Group level, these dividend distributions did not have, and are not expected to have, any impact on equity.

As members of Rabobank Nederland, the local Rabobanks have membership rights such as voting rights at a General Meeting of Rabobank Nederland.

The liability position of members of a cooperative, however, is not comparable to the position of shareholders in a corporation for a number of reasons:

- (a) 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 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 is not possible to recover the share of one or more liable members or former members to address the shortfall, the remaining members shall be liable in the same proportion for the amount not recovered. Under Rabobank Nederland's articles of association, the total amount for which members or former members are liable shall never exceed 3 per cent. of its last adopted balance sheet total.<sup>2</sup>
- (b) A system of cross-guarantees operates between the local Rabobanks, Rabobank Nederland and a small number of its Dutch subsidiaries, 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.
- (c) The local Rabobanks are also party 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.

Traditionally, an important role of Rabobank Nederland has been its function as a bankers' bank for the local Rabobanks. 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 which acts as treasurer to the local Rabobanks.

Rabobank Nederland also provides services to the local Rabobanks in the form of support, advice and guidance.

Furthermore, 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 of collective labour agreements on behalf of the local Rabobanks).

Rabobank Nederland operates its own banking business, which is both complementary to and independent of the business of the local Rabobanks.

Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank on a consolidated basis, it is based on article 3:111 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that Rabobank Nederland has responsibility for supervision of the local Rabobanks and, amongst others, for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy

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<sup>2</sup> References in this paragraph to the last adopted balance sheet total are to the unconsolidated balance sheet or the unconsolidated balance sheet total of a local Rabobank drawn up by the board of a local Rabobank at the end of the previous financial year, or, if available, the consolidated balance sheet or the consolidated balance sheet total drawn up by the board of a local Rabobank at the end of the previous financial year.

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 applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that the local Rabobanks, which cannot raise new capital by issuing 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 Rabobank Group's lending limits.

The local Rabobanks are organised geographically into 12 Regional Delegates Assemblies (*Kringvergaderingen*), each with a board of six delegates. These board members together form the Central Delegates Assembly (Centrale Kringvergadering), consisting of 72 delegates, who meet at least four times a year. This Central Delegates Assembly has some specific powers of its own. It also advises on the subjects discussed at any General Meeting of Rabobank Nederland, in which each local Rabobank has a number of votes according to the Apportionment Formula.

At 31 December 2012, the 136 local Rabobanks (at that time) themselves had approximately 1.9 million members. The members of the local cooperative Rabobanks are their customers but they do not make capital contributions to the local Rabobanks and they are not entitled to the equity of the local Rabobanks. Such members are not liable for any obligations of the local Rabobanks.

### **Subsidiaries**

Rabobank Nederland also conducts business through separate legal entities, not only in the Netherlands but also worldwide. Rabobank Nederland is the (ultimate) shareholder of more than 1,800 subsidiaries and participations.

Rabobank Group companies focus on retail banking (Rabobank Australia, Rabobank N.A., BGZ), asset management (Robeco), vendor leasing (De Lage Landen) and real estate services (Rabo/Vastgoedgroep). However, see "Recent Developments' - Sale of Robeco" for information regarding the proposed sale of Robeco.

Rabobank Nederland has assumed liability for debts arising from legal transactions for approximately 30 of its Dutch subsidiaries under article 2:403 of the Dutch Civil Code.

## 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 Rabobank Group incorporated by reference into this Base Prospectus. Certain figures for Rabobank Group at and for the year ended 31 December 2011 included in the following discussion have been restated as a result of changes in accounting policies and presentation. See "Change in accounting policies and presentations" below for further information. 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 services provider operating on the basis of cooperative principles. At 31 December 2012, it comprised 136 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 43 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At 31 December 2012, Rabobank Group had total assets of €752.4 billion and 59,628 full-time employees.

Rabobank's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions (source: *The Banker*).

Rabobank Nederland, the local Rabobanks and certain subsidiaries in 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 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.

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 826 branches and 2,886 cash-dispensing machines at 31 December 2012, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.6 million retail clients and approximately 0.8 million wholesale clients, both private and corporate, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (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 exchange rates, and increased

competition. Banks are still facing persistent turmoil in the financial markets. In the first quarter of 2013, the Dutch state nationalised the bank and insurance group SNS Reaal. This rescue highlights the fragility of European banks and the continued exposure of taxpayers to European banks five years after the financial crisis first erupted. During 2012, the contraction of the Dutch economy negatively impacted Rabobank Group's growth in lending and resulted in loan losses above Rabobank Group's long-term average. It is expected that 2013 will be another difficult year for the Dutch economy. Due to competition for savings in the Netherlands, rates on deposits remained relatively high in 2012. This had a negative impact on the financial results of Rabobank Group. Competition for savings is likely to continue in 2013.

In 2012, 67 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, have historically been impacted by business cycles only in a limited way.

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

### ***Stock market fluctuations***

Since the outbreak of the financial crisis in the second half of 2007, equity markets have been adversely affected. A decline in the stock markets could adversely affect 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 Rabobank Group's results. For example, a low interest rate environment could adversely affect Rabobank Group's results, as due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest-bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may start an upward trend if the European sovereign debt crisis is resolved, Rabobank expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in 2013, with a corresponding impact on Rabobank Group's results.

As discussed under "Risk Management — Interest rate risk", 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 Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Rabobank to make complex judgements based on information and financial data that may change in future periods, the results of which can have a significant effect on Rabobank Group's results of

operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgements as to future events and are subject to change. Different assumptions or judgements could lead to materially different results. See the footnotes to the audited consolidated financial statements incorporated by reference into this Base Prospectus for additional discussion of the application of Rabobank Group's accounting policies.

### ***Value adjustments***

Rabobank regularly assesses the adequacy of the allowance 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 likely 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 allowances 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 allowances 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. The allowance is set using IFRS-adjusted Basel II parameters.
- An Incurred But Not Reported ("IBNR") allowance 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 IFRS-adjusted expected loss parameters. Furthermore, factors are used which assume that within three to 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 an allowance against the loan balance in the balance sheet.

The Provisioning Committee headed by the CFO decides twice a year on allowance-taking for all impaired loans above a certain threshold (currently over €45 million) or with an allowance above a predetermined threshold (currently over €15 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 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 and presentation***

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group and for the segment Asset Management for the year ended 31 December 2011 in this Base Prospectus have been restated (see the Consolidated Financial Statements 2012 Rabobank Group, under note 2.1.1, "Changes in accounting policies and presentation" and note 44 "Discontinued

operations"). Where the year ended 31 December 2012 is compared with the year ended 31 December 2011, the restated figures for 2011 are discussed. Where the year ended 31 December 2011 is compared with the year ended 31 December 2010, the non-restated figures for 2011 are discussed.

## Results of operations

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

| (in millions of euro)                         | <b>Year ended 31 December</b> |               |               |
|---|-------------------------------|---------------|---------------|
|   | 2011<br>(restated)            |               |               |
|   | 2012                          | 2011          | 2010          |
| Interest.....                                 | 9,097                         | 9,174         | 9,229         |
| Fees and commission .....                     | 2,206                         | 2,361         | 2,981         |
| Other income .....                            | 2,149                         | 1,171         | 1,168         |
| <b>Total income</b> .....                     | <b>13,452</b>                 | <b>12,706</b> | <b>13,378</b> |
| Staff costs .....                             | 5,325                         | 4,862         | 5,141         |
| Other administrative expenses .....           | 2,979                         | 2,850         | 3,001         |
| Depreciation .....                            | 527                           | 540           | 578           |
| <b>Operating expenses</b> .....               | <b>8,831</b>                  | <b>8,252</b>  | <b>8,720</b>  |
| <b>Gross result</b> .....                     | <b>4,621</b>                  | <b>4,454</b>  | <b>4,658</b>  |
| Value adjustments .....                       | 2,350                         | 1,606         | 1,606         |
| Bank tax expense .....                        | 196                           | -             | -             |
| <b>Operating profit before taxation</b> ..... | <b>2,075</b>                  | <b>2,848</b>  | <b>3,052</b>  |
| Taxation .....                                | 160                           | 355           | 425           |
| Net profit from continued operations..        | 1,915                         | 2,493         | 2,627         |
| Net profit from discontinued operations ..... | 197                           | 134           | -             |
| <b>Net profit</b> .....                       | <b>2,112</b>                  | <b>2,627</b>  | <b>2,772</b>  |

### Year ended 31 December 2012 compared to year ended 31 December 2011

*Total income.* Rabobank Group's total income increased 6 per cent. in 2012, rising to €13,452 million compared to €12,706 million in 2011.

*Interest.* Competition in the Dutch savings market was fierce. Lower margins on saving deposits caused interest income to fall by 1 per cent. to €9,097 million in 2012 compared to €9,174 million in 2011.

*Fees and commission.* Insurance and securities commissions at the local Rabobanks were down. In addition, as a result of the sale of Swiss-based private bank Sarasin to Safra, Sarasin no longer contributed to commission income as of August 2012. Due, in part, to these developments, commission income decreased 7 per cent. to €2,206 million in 2012 compared to €2,361 million in 2011.

*Other income.* Other income increased significantly in 2012 to €2,149 million compared to €1,171 million in 2011. Interest rate developments, which led to a steepening of the yield curve and gains on hedge accounting, had a positive effect on other income. The same held true for the completion of the

sale of the shares in Yes Bank and Sarasin, for improvements in the share of the profits of Achmea, and for the acquisition of Friesland Bank. This was counteracted by the fact that the fall in credit spread on Rabobank-issued structured notes and high impairment losses on property developments had a negative effect on other income. These developments drove the 84 per cent. increase in other income.

*Operating expenses.* Rabobank Group's operating expenses rose by 7 per cent. in 2012 to €8,831 million compared to €8,252 million in 2011, mainly due to an increase in staff costs.

*Staff costs.* Staff costs increased by 10 per cent. to €5,325 million in 2012 compared to €4,862 million in 2011 because of an increase in pension costs in the Netherlands, the UK and the U.S., and a temporary increase in outside staff. These costs also rose due to routine pay increases.

*Other administrative expenses.* Other administrative expenses rose by 5 per cent. to €2,979 million in 2012 compared to €2,850 million in 2011. The acquisition of Friesland Bank and an increase in consultancy fees at Rabobank International caused an increase in other administrative expenses, whereas the completion of the sale of Sarasin produced a drop in these expenses.

*Depreciation.* Depreciation charges decreased 2 per cent. to €527 million in 2012 compared to €540 million in 2011. The sale of Sarasin was instrumental in the 2 per cent. drop.

*Value adjustments.* Because of the challenging economic climate in the Netherlands and the weak property market, a relatively high number of trade, industry and services customers and customers operating in the property sector experienced financial difficulties. This situation forced Rabobank Group to increase its provisions, particularly at the local Rabobanks and FGH Bank. In the aggregate, value adjustments were up 46 per cent. at Group level, rising to €2,350 in 2012 compared to €1,606 million in 2011. At 52 basis points of average lending (2011: 37 basis points), bad debt costs were 27 basis points above the long-term average of 25 basis points (based on the period 2002 to 2011).

*Bank tax.* The bank tax led to an additional expense item for Rabobank Group of €196 million in 2012. The bank tax did not exist in 2011.

*Taxation.* The recognised tax expense was €160 million in 2012 compared to €355 million in 2011, which corresponds to an effective tax rate of 7.7 per cent. (2011: 12.5 per cent.).

*Net profit.* Net profit decreased by 20 per cent. to €2,112 million in 2012 compared to €2,627 million in 2011. An amount of €897 million (2011: €1,549 million) remains net of non-controlling interests and payments on Rabobank Member Certificates (*Rabobank Ledencertificaten*) (the depository receipts of participation rights directly issued by Rabobank Nederland ("Rabobank Member Certificates")) and hybrid equity instruments. This amount was used to improve Rabobank's capital position.

#### **Year ended 31 December 2011 compared to year ended 31 December 2010**

*Total income.* Rabobank Group's total income increased 5 per cent. in 2011, rising to €13,378 million compared to €12,716 million in 2010.

*Interest.* Due to an increase in lending and higher margins at De Lage Landen and FGH Bank, interest income increased 7 per cent. to €9,229 million in 2011 compared to €8,614 million in 2010.

*Fees and commission.* Commission increased 5 per cent. to €2,981 million in 2011 compared to €2,831 million in 2010, as commissions on payment transactions and loans increased.

*Other income.* Other income fell significantly in 2011 to €1,168 million compared to €1,271 million in 2010. Impairments on land suffered by the real estate business and lower income from the equity interest in Achmea drove the 8 per cent. drop in other income.

*Operating expenses.* Rabobank Group's operating expenses rose by 6 per cent. in 2011 to €8,720 million compared to €8,196 million in 2010, mainly due to an increase in staff costs.

**Staff costs.** Staff costs increased by 5 per cent. to €5,141 million in 2011 compared to €4,919 million in 2010. Staff costs rose due to a larger employee base, periodic salary increases and higher pension costs.

**Other administrative expenses.** Other administrative expenses rose by 11 per cent. to €3,001 million in 2011 compared to €2,706 million in 2010. The administrative expenses rose, in part, due to higher IT and marketing expenses.

**Depreciation and amortisation.** Depreciation and amortisation charges increased 1 per cent. to €578 million in 2011 compared to €571 million in 2010.

**Value adjustments.** Rabobank Group saw its bad debt costs increase in 2011 as a result of the climate of economic adversity. Various customer groups hit a rough patch in the second half of 2011 in particular. The continuing poor property market conditions fuelled a rise in bad debt costs in the commercial real estate business. Rabobank International's bad debt costs remained high because of sustained losses suffered by Irish-based ACCBank due to the weak economy and property market. The local Rabobanks were forced to form additional provisions for greenhouse horticulture in 2011 as a result of the EHEC crisis, pursuant to which the EHEC-bacteria caused problems for a part of Rabobank's customers in the Dutch greenhouse horticulture sector. On the aggregate, value adjustments were up 30 per cent. at Group level, rising to €1,606 in 2011 compared to €1,234 million in 2010. At 37 basis points of average lending (2010: 29 basis points), bad debt costs were 13 basis points above the long-term average of 24 basis points (based on the period 2001 to 2010).

**Taxation.** The recognised tax expense was €425 million in 2011 compared to €514 million in 2010, which corresponds to an effective tax rate of 13.9 per cent. (2010: 15.6 per cent.).

**Net profit.** Net profit decreased by 5 per cent. to €2,627 million in 2011 compared to €2,772 million in 2010. An amount of €1,549 million (in 2010: €1,846 million) remains net of non-controlling interests and payments on Rabobank Member Certificates (*Rabobank Ledencertificaten*) (the depository receipts of participation rights directly issued by Rabobank Nederland ("Rabobank Member Certificates")) and hybrid equity instruments. This amount was used to improve Rabobank's capital position.

## Segment discussion\*

### Domestic retail banking

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

|                                     | Year ended 31 December |              |              |
|-------------------------------------|------------------------|--------------|--------------|
| (in millions of euro)               | 2012                   | 2011         | 2010         |
| Interest.....                       | 5,180                  | 5,218        | 4,894        |
| Fees and commission .....           | 1,344                  | 1,357        | 1,321        |
| Other income .....                  | 765                    | 366          | 294          |
| <b>Total income</b> .....           | <b>7,289</b>           | <b>6,941</b> | <b>6,509</b> |
| Staff costs .....                   | 2,454                  | 2,258        | 2,161        |
| Other administrative expenses ..... | 1,755                  | 1,609        | 1,553        |
| Depreciation.....                   | 151                    | 119          | 119          |
| <b>Operating expenses</b> .....     | <b>4,360</b>           | <b>3,986</b> | <b>3,833</b> |
| <b>Gross result</b> .....           | <b>2,929</b>           | <b>2,955</b> | <b>2,676</b> |

|   | <b>Year ended 31 December</b> |              |              |
|---|-------------------------------|--------------|--------------|
| (in millions of euro)                         | 2012                          | 2011         | 2010         |
| Value adjustments .....                       | 1,329                         | 648          | 358          |
| Bank tax .....                                | 91                            | -            | -            |
| <b>Operating profit before taxation</b> ..... | <b>1,509</b>                  | <b>2,307</b> | <b>2,318</b> |
| Taxation .....                                | 205                           | 454          | 475          |
| <b>Net profit</b> .....                       | <b>1,304</b>                  | <b>1,853</b> | <b>1,843</b> |

**Year ended 31 December 2012 compared to year ended 31 December 2011**

**Total income.** Domestic retail banking total income increased by 5 per cent., rising to €7,289 million in 2012, compared to €6,941 million in 2011.

**Interest.** Interest income decreased 1 per cent. to €5,180 million in 2012, compared to €5,218 million in 2011, which was due in particular to lower margins on saving deposits.

**Fees and commission.** Commission fell by 1 per cent. to €1,344 million in 2012, compared to €1,357 million in 2011, because of fewer loans being issued and lower securities commission.

**Other income.** Other income rose to €765 million in 2012, compared to €366 million in 2011. Other income is made up primarily of dividends payable by Rabobank Nederland to the local Rabobanks. Besides an increase in dividends, other income was up also because of higher earnings from cash management.

**Operating expenses.** Total operating expenses for domestic retail banking increased 9 per cent., rising to €4,360 million in 2012, compared to €3,986 million in 2011, principally as a result of an increase in staff costs.

**Staff costs.** Staff costs increased by 9 per cent. to €2,454 million in 2012, compared to €2,258 million in 2011. A factor contributing to the increase in staff costs was the rise in headcount compared with 2011, particularly in terms of temporary staff. The upswing in staff costs was also attributable to the addition of the Friesland Bank employees.

**Other administrative expenses.** Other administrative expenses increased 9 per cent. to €1,755 million in 2012, compared to €1,609 million in 2011, due mainly to the acquisition of Friesland Bank.

**Depreciation.** Depreciation rose to €151 million in 2012, compared to €119 million in 2011, because of higher amortisation charges of software and intangibles.

**Value adjustments.** The weak economy led to further increases in value adjustments in 2012. In the food and agri sector, loan losses were incurred mostly in greenhouse horticulture. In the trade, industry and services sector, businesses reliant on domestic spending in particular suffered the consequences of low consumer and business demand. Low investment levels caused problems in the building contracting and real estate-related sectors. The sea and coastal shipping sector was also negatively affected. Value adjustments rose by €681 million to reach €1,329 million in 2012, compared to €648 million in 2011. At 44 (2011: 22) basis points of average lending, bad debt costs were above the long-term average of 13 basis points, based on the period 2002 to 2011. Of lending, 69 per cent. is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 6 (2011: 3) basis points.

**Bank tax.** The bank tax led to an additional expense item of €91 million in 2012.

*Taxation.* Taxation decreased in 2012 by €249 million to €205 million compared to €454 million in 2011.

*Net profit.* Net profit decreased by 30 per cent. to €1,304 million in 2012 compared to €1,853 million in 2011.

#### **Year ended 31 December 2011 compared to year ended 31 December 2010**

*Total income.* Domestic retail banking total income increased by 7 per cent., rising to €6,941 million in 2011, compared to €6,509 million in 2010.

*Interest.* Interest income increased 7 per cent. to €5,218 million in 2011, compared to €4,894 million in 2010, due, in part, to growth in lending and amounts due to customers.

*Fees and commission.* Commission showed a 3 per cent. rise to €1,357 million in 2011, compared to €1,321 million in 2010.

*Other income.* An increase in share capital contributed by the local Rabobanks to Rabobank Nederland caused higher dividend distributions by Rabobank Nederland to the local Rabobanks in 2011. This was one of the reasons for the 25 per cent. rise of other income to €366 million in 2011, compared to €294 million in 2010.

*Operating expenses.* Total operating expenses for domestic retail banking increased 4 per cent. in 2011, rising to €3,986 million in 2011, compared to €3,833 million in 2010, principally as a result of an increase in staff costs.

*Staff costs.* The costs of hiring external staff were higher than in 2010. Extra staff were needed to implement the measures dictated by new rules and regulations, and to fill temporary vacancies. Another factor contributing to the 4 per cent. increase in staff costs to €2,258 million in 2011, compared to €2,161 million in 2010, was the salary increase under the collective bargaining agreement.

*Other administrative expenses.* Other administrative expenses increased 4 per cent. to €1,609 million in 2011, compared to €1,553 million in 2010.

*Depreciation.* At €119 million in 2011, compared to €119 million in 2010, depreciation was stable.

*Value adjustments.* Due, in part, to the EHEC crisis in greenhouse horticulture, bad debt costs witnessed a slight increase in the first half of 2011 despite economic growth and the reasonable outlook at the time. There was a considerable downturn in the economy, however, in the second half of the year, causing value adjustments to rise further by 81 per cent. to reach €648 million in 2011, compared to €358 million in 2010. At 22 (2010: 13) basis points of average lending, bad debt costs were above the long-term average of 12 basis points, based on the period 2001 to 2010. Of lending, 69 per cent. is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 3 (2010: 4) basis points.

*Taxation.* Taxation decreased in 2011 by €21 million to €454 million compared to €475 million in 2010.

*Net profit.* Net profit increased by 1 per cent. to €1,853 million in 2011 compared to €1,843 million in 2010.

#### **Wholesale banking and international retail banking**

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

|   | <b>Year ended 31 December</b> |              |              |
|---|-------------------------------|--------------|--------------|
| (in millions of euro)                   | 2012                          | 2011         | 2010         |
| Interest                                | 2,775                         | 2,957        | 2,813        |
| Fees and commission                     | 618                           | 586          | 460          |
| Other income                            | 612                           | 207          | 306          |
| <b>Total income</b>                     | <b>4,005</b>                  | <b>3,750</b> | <b>3,579</b> |
| Staff costs                             | 1,320                         | 1,116        | 1,020        |
| Other administrative expenses           | 976                           | 847          | 811          |
| Depreciation                            | 120                           | 109          | 108          |
| <b>Operating expenses</b>               | <b>2,416</b>                  | <b>2,072</b> | <b>1,939</b> |
| <b>Gross result</b>                     | <b>1,589</b>                  | <b>1,678</b> | <b>1,640</b> |
| Value adjustments                       | 621                           | 686          | 597          |
| Bank tax                                | 60                            | -            | -            |
| <b>Operating profit before taxation</b> | <b>908</b>                    | <b>992</b>   | <b>1043</b>  |
| Taxation                                | 204                           | 211          | 269          |
| <b>Net profit</b>                       | <b>704</b>                    | <b>781</b>   | <b>774</b>   |

**Year ended 31 December 2012 compared to year ended 31 December 2011**

**Interest.** Total income at Rabobank International increased by 7 per cent. to €4,005 million in 2012 compared to €3,750 million in 2011. This increase was attributable in particular to a €405 million rise in other income.

**Interest.** Interest income declined by 6 per cent. to €2,775 million in 2012, compared to €2,957 million in 2011. The lower deposit interest rate of the European Central Bank was a factor in the 6 per cent drop in interest income.

**Fees and commission.** Commission increased by 5 per cent. to €618 million in 2012, compared to €586 million in 2011, due, in part, to an increase in commissions on loans.

**Other income.** In 2012, other income rose by €405 million to €612 million, compared to €207 million in 2011, because of the sale of remaining equity interest in Indian-based Yes Bank and the higher share of the profits of the participation in the Agricultural Bank of China.

**Operating expenses.** Rabobank International's total operating expenses increased by 17 per cent. to €2,416 million, compared to €2,072 million in 2011. The implementation of changes in international rules and regulations proved to be a substantial cost item whose impact was felt in staff costs and other administrative expenses.

**Staff costs.** Staff costs rose by 18 per cent. to €1,320 million in 2012, compared to €1,116 in 2011, owing to routine pay increases, higher pension costs and, to a lesser extent, an increase in headcount.

**Other administrative expenses.** Due, in part, to higher consultancy fees, administrative expenses were up 15 per cent. to €976 million in 2012, compared to €847 million in 2011.

**Depreciation.** Depreciation grew by 10 per cent. to €120 million, compared to €109 million in 2011, due to higher depreciation charges on software.

**Value adjustments.** Value adjustments at Rabobank International decreased by 9 per cent. to €621 million in 2012, compared to €686 million in 2011. As ACCBank accounted for €301 million of these

value adjustments, reflecting nearly half of the total figure. Bad debt costs amounted to 59 basis points (2011: 73 basis points) of average lending, which is higher than the long-term average of 54 basis points (based on the period 2002 to 2011).

*Bank tax.* The bank tax led to an additional expense item of €60 million in 2012.

*Taxation.* Taxation decreased in 2012 by €7 million to €204 million, compared to €211 million in 2011.

*Net profit.* Net profit decreased by 10 per cent. to €704 million in 2012 compared to €781 million in 2011.

#### **Year ended 31 December 2011 compared to year ended 31 December 2010**

*Total income.* Total income at Rabobank International increased by 5 per cent. to €3,750 million in 2011 compared to €3,579 million in 2010, due chiefly to a rise in interest income.

*Interest.* Interest income rose by 5 per cent. to €2,957 million in 2011, compared to €2,813 million in 2010. Growth in lending contributed to an increase in interest income.

*Fees and commission.* Commission increased by 27 per cent. to €586 million compared to €460 million in 2010.

*Other income.* Other income were favourable in 2010 because of the sale of part of the equity interest in Yes Bank. In 2011, other income fell by 32 per cent. to €207 million, compared to €306 million in 2010.

*Operating expenses.* Rabobank International's total operating expenses increased by 7 per cent. to €2,072 million, compared to €1,939 million in 2010.

*Staff costs.* Periodic salary increases and an increase in the employee base of 9 per cent. caused staff costs to rise to €1,116 million in 2011, compared to €1,020 in 2010.

*Other administrative expenses.* Acquisitions in 2010 resulted in extra integration expenses in 2011. Higher information technology and marketing expenses were a factor in the 4 per cent. rise in other administrative expenses to €847 million in 2011, compared to €811 million in 2010.

*Depreciation.* Depreciation stood at €109 million, compared to €108 million in 2010.

*Value adjustments.* Value adjustments at Rabobank International were up 15 per cent. in 2011, reaching €686 million, compared to €597 million in 2010, due, in part, to additional allocations to the provision for loan losses at ACCBank. Bad debt costs amounted to 73 (2010: 64) basis points of average lending, which is higher than the long-term average of 54 basis points (based on the period 2001 to 2010).

*Taxation.* Taxation decreased in 2011 by €58 million to €211 million, compared to €269 million in 2010.

*Net profit.* Net profit increased by 1 per cent. to €781 million in 2011 compared to €774 million in 2010.

#### **Asset management**

The 2012 consolidated financial statements of Rabobank Group recognise the activities undertaken by Robeco as discontinued operations under IFRS, meaning that the figures for 2012 in the segmental information of the financial statements will be reclassified to a single line in the statement of financial position and the statement of income. The statement of income for 2011 will also be restated accordingly. Net profit from continuing operations comprises the former operations of Schretlen & Co and Sarasin. Total net profit from discontinued and continuing operations in the asset management segment stood at €216 million in 2012, compared to €62 million in 2011. The following table sets forth certain

summarised financial information for Rabobank Group's asset management business for the years indicated:

| <i>(in millions of euro)</i>                          | <b>Year ended 31 December</b> |                    |              |              |
|---|-------------------------------|--------------------|--------------|--------------|
|   | 2012                          | 2011<br>(restated) | 2011         | 2010         |
| Interest.....   | 22                            | 55                 | 163          | 166          |
| Fees and commission.....                              | 680                           | 620                | 979          | 995          |
| Other income .....                                    | 78                            | (3)                | 2            | 47           |
| <b>Total income</b> .....                             | <b>780</b>                    | <b>671</b>         | <b>1,144</b> | <b>1,208</b> |
| Staff costs .....                                     | 308                           | 279                | 593          | 564          |
| Other administrative expenses .....                   | 135                           | 151                | 311          | 287          |
| Depreciation .....                                    | 38                            | 38                 | 114          | 117          |
| <b>Operating expenses</b> .....                       | <b>481</b>                    | <b>467</b>         | <b>1,018</b> | <b>968</b>   |
| <b>Gross result</b> .....                             | <b>299</b>                    | <b>204</b>         | <b>126</b>   | <b>240</b>   |
| Value adjustments .....                               | 2                             | 0                  | (1)          | 2            |
| <b>Operating profit before taxation</b> .....         | <b>297</b>                    | <b>204</b>         | <b>127</b>   | <b>238</b>   |
| Taxation .....  | 100                           | 70                 | 65           | 71           |
| Net profit from discontinued operations - Robeco..... | 197                           | 134                | -            | -            |
| Net profit from continued operations..                | 19                            | (72)               | -            | -            |
| <b>Net profit</b> .....                               | <b>216</b>                    | <b>62</b>          | <b>62</b>    | <b>167</b>   |

#### **Year ended 31 December 2012 compared to year ended 31 December 2011**

*Total income.* Total income increased by 16 per cent. in 2012 to €780 million compared to €671 million in 2011, due to higher commission income and other income.

*Interest.* Total interest income fell by 59 per cent. in 2012 to €22 million compared to €55 million in 2011 due, in part, to lower margins on savings deposits.

*Fees and commission.* Commission rose by 10 per cent. to €680 million in 2012, compared to €620 million in 2011, due to a strong increase in assets under management.

*Other income.* Other income grew by €81 million in 2012, reaching €78 million, compared to minus €3 million in 2011, as a result of higher bond values and gains on the sale of debt instruments.

*Operating expenses.* Total operating expenses increased by 3 per cent. in 2012, rising to €481 million, compared to €467 million in 2011 due to higher staff costs.

*Staff costs.* Staff costs were 10 per cent. higher, rising to €308 million in 2012, compared to €279 million in 2011, due to routine pay rises.

*Other administrative expenses.* Other administrative expenses fell by 11 per cent. to €135 million in 2012, compared to €151 million in 2011. Over the past few years, Robeco reduced complexity with respect to the scope of its product offering and its target markets. This reduction in complexity contributed to the decline in other administrative expenses.

*Depreciation.* Depreciation was stable at €38 million in 2012 compared to €38 million in 2011.

*Value adjustments.* The total amount of value adjustments for asset management operations was €2 million in 2012 compared to €0 million in 2011.

*Taxation.* Taxation increased in 2012 by €30 million to €100 million compared to €70 million in 2011.

*Net profit.* Net profit increased by €154 million to €216 million in 2012, compared to €62 million in 2011.

#### **Year ended 31 December 2011 compared to year ended 31 December 2010**

*Total income.* Total income from asset management was 5 per cent. lower in 2011 than in 2010, at €1,144 million compared to €1,208 million in 2010 mainly due to lower commission income and lower other income.

*Interest.* Total interest income fell by 2 per cent. in 2011, at €163 million compared to €166 million in 2010 mainly due to higher interest expenses on customers.

*Fees and commission.* Commission was down 2 per cent. to €979 million in 2011, compared to €995 million in 2010, due to market conditions and lower commissions at Transtrend, a Robeco subsidiary.

*Other income.* The sale of Sarasin contributed to the €45 million fall in other income to €2 million, compared to €47 million in 2010.

*Operating expenses.* Total operating expenses increased by 5 per cent. in 2011, rising to €1,018 million, compared to €968 million in 2010 mainly due to higher staff costs and higher other operating expenses.

*Staff costs.* Staff costs were 5 per cent. higher, rising to €593 million in 2011, compared to €564 million in 2010 in part due to an increase in the number of employees.

*Other administrative expenses.* Other administrative expenses grew by 8 per cent. to €311 million in 2011, compared to €287 million in 2010 in part due to restructuring provision and higher consultants fees.

*Depreciation and amortisation.* Due to lower amortisation charges of intangible assets, depreciation and amortisation charges decreased by 3 per cent. to €114 million in 2011 compared to €117 million in 2010.

*Value adjustments.* The total amount of value adjustments for asset management operations was minus €1 million in 2011 compared to €2 million in 2010.

*Taxation.* Taxation decreased in 2011 by €6 million to €65 million compared to €71 million in 2010.

*Net profit.* Net profit decreased by €105 million to €62 million in 2011.

#### **Leasing**

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

|                              | <b>Year ended 31 December</b> |             |             |
|------------------------------|-------------------------------|-------------|-------------|
| <i>(in millions of euro)</i> | <b>2012</b>                   | <b>2011</b> | <b>2010</b> |
| Interest                     | 952                           | 778         | 658         |
| Fees and commission          | 63                            | 76          | 83          |

|   | <b>Year ended 31 December</b> |              |              |
|---|-------------------------------|--------------|--------------|
| (in millions of euro)                   | 2012                          | 2011         | 2010         |
| Other income                            | 442                           | 465          | 440          |
| <b>Total income</b>                     | <b>1,457</b>                  | <b>1,319</b> | <b>1,181</b> |
| Staff costs                             | 526                           | 455          | 416          |
| Other administrative expenses           | 223                           | 269          | 244          |
| Depreciation and amortisation           | 47                            | 50           | 40           |
| <b>Operating expenses</b>               | <b>796</b>                    | <b>774</b>   | <b>700</b>   |
| <b>Gross result</b>                     | <b>661</b>                    | <b>545</b>   | <b>481</b>   |
| Value adjustments                       | 147                           | 144          | 214          |
| Bank tax                                | 9                             | -            | -            |
| <b>Operating profit before taxation</b> | <b>505</b>                    | <b>401</b>   | <b>267</b>   |
| Taxation                                | 138                           | 97           | 66           |
| <b>Net profit</b>                       | <b>367</b>                    | <b>304</b>   | <b>201</b>   |

#### **Year ended 31 December 2012 compared to year ended 31 December 2011**

*Total income.* De Lage Landen's total income increased by 10 per cent., rising to €1,457 million in 2012, compared to €1,319 million in 2011. The lease portfolio grew due to the provision of a broader range of services to existing customers.

*Interest.* Interest income was up by 22 per cent. to €952 million in 2012, compared to €778 million in 2011. Active portfolio management helped to grow interest income.

*Fees and commission.* Higher commission payments to the local Rabobanks resulted in a fall of commission income by 17 per cent. to €63 million, compared to €76 million in 2011.

*Other income.* Lower residual value gains on lease products caused a decrease in other income by 5 per cent. to €442 million, compared to €465 million in 2011.

*Operating expenses.* Total operating expenses at De Lage Landen rose by 3 per cent. to €796 million in 2012, compared to €774 million in 2011, due to higher staff costs.

*Staff costs.* Staff costs were up €71 million, reaching €526 million, compared to €455 million in 2011, because of an increase in the number of temporary outside staff, a higher headcount and an increase in wage costs.

*Other administrative expenses.* Other administrative expenses were high in 2011 because of project costs incurred for self-developed software. As these costs were lower in 2012, other administrative expenses fell by 17 per cent. to €223 million, compared to €269 million in 2011.

*Depreciation.* The depreciation item was slightly lower at €47 million, compared to €50 million in 2011.

*Value adjustments.* De Lage Landen's value adjustments increased by 2 per cent. to €147 million, compared to €144 million in 2011. Due to the global spread of the operations, the increase was very limited. Expressed in basis points of average lending, bad debt costs stood at 53 basis points (2011: 58 basis points). Bad debt costs are now 16 basis points below the long-term average of 69 basis points (based on the period 2002 to 2011).

*Taxation.* Taxation increased in 2012 by €41 million to €138 million compared to €97 million in 2011.

*Net profit.* Net profit increased 21 per cent. to €367 million in 2012 compared to €304 million in 2011.

#### **Year ended 31 December 2011 compared to year ended 31 December 2010**

*Total income.* De Lage Landen's total income increased by 12 per cent., rising to €1,319 million in 2011, compared to €1,181 million in 2010.

*Interest.* Interest income was up by 18 per cent. to €778 million, compared to €658 million in 2010, due to active portfolio management.

*Fees and commission.* De Lage Landen paid higher commissions in 2011 to the local Rabobanks for new lease referrals. As a result, commission income fell by 9 per cent. to €76 million, compared to €83 million in 2010.

*Other income.* Increases in residual value gains on lease products caused an increase in other income by 6 per cent. to €465 million, compared to €440 million in 2010.

*Operating expenses.* Total operating expenses at De Lage Landen rose by 11 per cent. to €774 million in 2011, compared to €700 million in 2010.

*Staff costs.* Staff costs were up €39 million, reaching €455 million, compared to €416 million in 2010, because of periodic salary increases and a larger workforce on average. The headcount increased by 3 per cent. to 4,964 in 2011 compared to 4,835 in 2010.

*Other administrative expenses.* Other administrative expenses were up 10 per cent. to €269 million, compared to €244 million in 2010.

*Depreciation.* The depreciation item increased by 25 per cent. to €50 million, compared to €40 million in 2010, due, in part, to the accelerated amortisation of self-developed software.

*Value adjustments.* The credit quality of the portfolio improved owing partly to strict risk management. This helped to reduce De Lage Landen's value adjustments, which fell by 33 per cent. to €144 million, compared to €214 million in 2010. Expressed in basis points of average lending, bad debt costs stood at 58 (2010: 90) basis points. Bad debt costs are now 11 basis points below the long-term average of 69 basis points (based on the period 2001 to 2010).

*Taxation.* Taxation increased in 2011 by €31 million to €97 million compared to €66 million in 2010.

*Net profit.* Net profit increased 51 per cent. to €304 million in 2011 compared to €201 million in 2010.

#### **Real estate**

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

|                              | <b>Year ended 31 December</b> |             |             |
|------------------------------|-------------------------------|-------------|-------------|
| <i>(in millions of euro)</i> | <b>2012</b>                   | <b>2011</b> | <b>2010</b> |
| Interest.....                | 312                           | 282         | 253         |
| Fees and commission .....    | 35                            | 41          | 26          |
| Other income .....           | 104                           | 207         | 214         |
| <b>Total income.....</b>     | <b>451</b>                    | <b>530</b>  | <b>493</b>  |

|   | <b>Year ended 31 December</b> |            |            |
|---|-------------------------------|------------|------------|
| (in millions of euro)                         | 2012                          | 2011       | 2010       |
| Staff costs .....                             | 193                           | 200        | 193        |
| Other administrative expenses .....           | 89                            | 124        | 145        |
| Depreciation .....                            | 19                            | 20         | 29         |
| <b>Operating expenses</b> .....               | <b>301</b>                    | <b>344</b> | <b>367</b> |
| <b>Gross result</b> .....                     | <b>150</b>                    | <b>186</b> | <b>126</b> |
| Value adjustments .....                       | 237                           | 129        | 63         |
| Bank tax .....                                | 8                             | -          | -          |
| <b>Operating profit before taxation</b> ..... | <b>(95)</b>                   | <b>57</b>  | <b>63</b>  |
| Taxation .....                                | 12                            | 17         | 21         |
| <b>Net profit</b> .....                       | <b>(107)</b>                  | <b>40</b>  | <b>42</b>  |

**Year ended 31 December 2012 compared to year ended 31 December 2011**

**Total income.** Total income in Rabobank Group's real estate business decreased by 23 per cent. to €451 million in 2012 compared to €530 million in 2011 mainly due to lower other income.

**Interest.** Interest income increased by €30 million to €312 million in 2012 compared to €282 million in 2011, due to higher margins on new loans and renewals.

**Fees and commission.** Commission decreased by 15 per cent. to €35 million, compared to €41 million in 2011, because fewer loans were issued than in 2011.

**Other income.** Higher impairment losses on property developments and strategic land positions contributed to a decrease in other income by 50 per cent. to €104 million in 2012, compared to €207 million in 2011.

**Operating expenses.** Total operating expenses in Rabobank Group's real estate business declined by 13 per cent. in 2012, falling to €301 million, compared to €344 million in 2011, mainly due to lower other administrative expenses.

**Staff costs.** The headcount was lower as a result of staff cuts at Bouwfonds Property Development, Bouwfonds REIM, MAB Development and the Management Centre, among other divisions. As a result, staff costs decreased by 4 per cent. to €193 million, compared to €200 million in 2011.

**Other administrative expenses.** Other administrative expenses, which had been high in 2011 because of a reorganisation allowance, dropped by 28 per cent. to €89 million in 2012, compared to €124 million in 2011.

**Depreciation.** Depreciation was slightly lower at €19 million in 2012 compared to €20 million in 2011.

**Value adjustments.** Value adjustments stood at €237 million in 2012, compared to €129 million in 2011, which corresponds to 124 basis points (2011: 69 basis points) of average lending. Bad debt costs rose sharply due to the continued decline in the Dutch property market.

**Taxation.** Taxation decreased by €5 million to €12 million in 2012 compared to €17 million in 2011.

**Net profit.** Net profit decreased by €147 million to minus €107 million in 2012 compared to €40 million in 2011.

### **Year ended 31 December 2011 compared to year ended 31 December 2010**

**Total income.** During 2011, total income in Rabobank Group's real estate business increased by 8 per cent. to €530 million in 2011 compared to €493 million in 2010 due to higher interest and commission income.

**Interest.** Interest income increased by €29 million to €282 million in 2011 compared to €253 million in 2010, due to an increase in lending and higher margins on new loans and renewals.

**Fees and commission.** Commission increased by 58 per cent. to €41 million, compared to €26 million in 2010, due to new loans and renewals, particularly in the first half of 2011, and higher commissions at Bouwfonds REIM.

**Other income.** The increase in revenue from property development, especially in countries other than the Netherlands, was largely offset by impairment losses on available land positions in the Netherlands. Other income fell by 3 per cent. to €207 million in 2011, compared to €214 million in 2010.

**Operating expenses.** Total operating expenses in Rabobank Group's real estate business declined by 6 per cent. in 2011, falling to €344 million, compared to €367 million in 2010.

**Staff costs.** Owing, in part, to an increase in headcount, staff costs increased by 4 per cent. to €200 million, compared to €193 million in 2010.

**Other administrative expenses.** The drop in other administrative expenses was the main factor in lower operating expenses. Other administrative expenses were down 14 per cent. to €124 million in 2011, compared to €145 million in 2010.

**Depreciation.** Depreciation decreased by €9 million to €20 million in 2011 compared to €29 million in 2010.

**Value adjustments.** Value adjustments stood at €129 million in 2011, compared to €63 million in 2010, which corresponds to 69 (2010: 36) basis points of average lending. The further decline in the Dutch property market led to an increase in value adjustments at Rabo Real Estate Group.

**Taxation.** Taxation decreased by €4 million to €17 million in 2011 compared to €21 million in 2010.

**Net profit.** Net profit decreased by €2 million to €40 million in 2011 compared to €42 million in 2010.

### **Loan portfolio**

Growth in Rabobank's loan portfolio in the Netherlands in 2012 was close to zero because of the challenging economic situation and the uncertainty in the Dutch housing market. Relatively few people bought houses in the Netherlands and many businesses were reluctant to make investments. The loan portfolio outside the Netherlands experienced moderate growth due to the weak global economy. In these difficult circumstances, the loans to customers item increased no more than 4 per cent., or €17.2 billion, to €485.3 billion at 31 December 2012 from €468.1 billion at 31 December 2011. The private sector loan portfolio increased by €9.8 billion to €458.1 billion at 31 December 2012, an increase of 2 per cent. from €448.3 billion at 31 December 2011. Loans to private individuals, primarily for mortgage finance, was up €7.7 billion, or 4 per cent., to €220.0 billion at 31 December 2012. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have maturities up to 30 years. Loans to the trade, industry and services sector decreased by €2.3 billion to €145.6 billion at 31 December 2012. Lending to the food and agri sector increased by €4.2 billion to €92.4 billion at 31 December 2012, a 5 per cent. increase.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2012 and 31 December 2011, by category of borrower:

**At 31 December**

| <i>(in millions of euro and as percentage<br/>of total private sector lending)</i> | 2012           | 2011        |
|--|----------------|-------------|
| Private individuals  | 220,029        | 48%         |
| Trade, industry and services sector  | 145,626        | 32%         |
| Food and agri sector   | 92,436         | 20%         |
| <b>Total private sector lending</b>  | <b>458,091</b> | <b>100%</b> |
|  |                | 448,337     |
|  |                | 100%        |

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

The following table provides a breakdown of the remaining maturity of Rabobank Group's total loans to customers (public and private sector) and professional securities transactions at 31 December 2012 and 31 December 2011:

**At 31 December**

| <i>(in millions of euro and as percentage<br/>of total loans to customers)</i> | 2012           | 2011        |
|--|----------------|-------------|
| Less than 1 year .....   | 102,211        | 21%         |
| More than 1 year .....   | 383,088        | 79%         |
| <b>Total loans to customers</b> .....  | <b>485,299</b> | <b>100%</b> |
|  |                | 468,085     |
|  |                | 100%        |

### **Funding**

At 31 December 2012, amounts due to customers of Rabobank Group were €334.3 billion, an increase of 1 per cent. compared to 31 December 2011. The balance held in savings deposits increased by €9.7 billion to €149.70 billion, an increase of 7 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) decreased by €5.3 billion to €184.6 billion at 31 December 2012, largely due to a decrease in other due to customers. Time deposits decreased by €2.9 billion to €56.0 billion. At 31 December 2012, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled €223.3 billion compared to €213.4 billion at 31 December 2011. Savings deposits (except fixed-time deposits, from 1 month to 20 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 31 December 2012, 31 December 2011 and 31 December 2010:

**Year ended 31 December**

| <i>(in millions of euro)</i>  | 2012           | 2011           | 2010           |
|---|----------------|----------------|----------------|
| Savings deposits.....   | 149,661        | 140,028        | 130,928        |
| Other due to customers .....  | 184,610        | 189,864        | 167,833        |
| Debt securities in issue .....  | 223,336        | 213,441        | 196,819        |
| Other financial liabilities at fair value through profit<br>or loss ..... | 24,091         | 25,889         | 29,867         |
| <b>Total</b> .....  | <b>581,698</b> | <b>569,222</b> | <b>525,447</b> |

Rabobank Group also receives funds from the inter-bank and institutional market. Rabobank Group's total due to other banks was €27.1 billion at 31 December 2012, a 3 per cent. increase from €26.3 billion at 31 December 2011.

#### **Other financial assets\***

Other financial assets comprise debt securities and other assets. 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 31 December 2012**

| <i>(in millions of euro)</i>          | Trading      | Other at fair value through profit or loss | Available-for-sale | Held-to-maturity | Total         |
|---------------------------------------|--------------|--|--------------------|------------------|---------------|
| Purchased loans .....                 | 1,767        | —  | —                  | —                | 1,767         |
| Short-term government securities..... | 688          | —  | 2,096              | —                | 2,784         |
| Government bonds .....                | 935          | 4  | 39,275             | —                | 40,214        |
| Other debt securities.....            | 1,690        | 3,738                                      | 8,537              | —                | 14,491        |
| <b>Loans .....</b>                    | <b>1,026</b> |  |                    |                  |               |
| <b>Total debt securities .....</b>    | <b>5,080</b> | <b>4,768</b>                               | <b>49,908</b>      | <b>—</b>         | <b>59,756</b> |
| Venture capital.....                  |              | 784  | —                  | —                | 784           |
| Equity instruments .....              | 1,307        | 359  | 517                | —                | 2,183         |
| <b>Total other assets .....</b>       | <b>1,307</b> | <b>1,143</b>                               | <b>517</b>         | <b>—</b>         | <b>2,967</b>  |
| <b>Total .....</b>                    | <b>6,387</b> | <b>5,911</b>                               | <b>50,425</b>      | <b>—</b>         | <b>62,723</b> |
| Category 1 <sup>(1)</sup> .....       | 4,107        | 251  | 43,889             | —                | 48,247        |
| Category 2 <sup>(1)</sup> .....       | 2,197        | 4,003                                      | 6,438              | —                | 12,638        |
| Category 3 <sup>(1)</sup> .....       | 83           | 1,657                                      | 98                 | —                | 1,838         |

Note:

(1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

#### **Other financial assets at 31 December 2011**

| <i>(in millions of euro)</i>     | Trading | Other at fair value through profit or loss | Available-for-sale | Held-to-maturity | Total |
|----------------------------------|---------|--|--------------------|------------------|-------|
| Purchased loans                  | 2,091   | —  | —                  | —                | 2,091 |
| Short-term government securities | 313     | —  | 1,993              | —                | 2,306 |

**Other financial assets at 31 December 2011**

| <i>(in millions of euro)</i>       | Trading      | Other at fair<br>value<br>through<br>profit or loss | Available-<br>for-sale | Held-to-<br>maturity | Total         |
|------------------------------------|--------------|---|------------------------|----------------------|---------------|
| Government bonds .....             | 2,150        | 412   | 40,604                 | 96                   | 43,262        |
| Other debt securities.....         | 1,788        | 5,622   | 8,576                  | 13                   | 15,999        |
| <b>Total debt securities</b> ..... | <b>6,342</b> | <b>6,034</b>  | <b>51,173</b>          | <b>109</b>           | <b>63,658</b> |
| Venture capital .....              | —            | 571   | —                      | —                    | 571           |
| Equity instruments .....           | 1,770        | 410   | 757                    | —                    | 2,937         |
| <b>Total other assets</b> .....    | <b>1,770</b> | <b>981</b>  | <b>757</b>             | <b>—</b>             | <b>3,508</b>  |
| <b>Total</b> .....                 | <b>8,112</b> | <b>7,015</b>  | <b>51,930</b>          | <b>109</b>           | <b>67,166</b> |
| Category 1 <sup>(1)</sup> .....    | 4,256        | 1,013   | 45,506                 | —                    | 50,775        |
| Category 2 <sup>(1)</sup> .....    | 3,452        | 4,506   | 6,197                  | —                    | 14,155        |
| Category 3 <sup>(1)</sup> .....    | 404          | 1,496   | 227                    | —                    | 2,127         |

Note:

(1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

**Credit-related commitments\***

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending-related financial instruments. Rabobank's credit risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, Rabobank will make payments on behalf of clients if they are unable to meet their financial obligations to third parties. Rabobank also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

**At 31 December**

| <i>(in millions of euro)</i>                           | 2012          | 2011          | 2010          |
|--|---------------|---------------|---------------|
| Guarantees   | 14,904        | 10,519        | 10,084        |
| Letters of credit                                      | 5,583         | 5,487         | 4,910         |
| Credit granting liabilities                            | 33,061        | 34,522        | 34,670        |
| Other contingent liabilities                           | —             | —             | 66            |
| <b>Total credit related and contingent liabilities</b> | <b>53,548</b> | <b>50,528</b> | <b>49,730</b> |
| Revocable credit facilities                            | 45,083        | 44,649        | 41,229        |
| <b>Total credit related commitments</b>                | <b>98,631</b> | <b>95,177</b> | <b>90,959</b> |

### **Capital adequacy**

The Dutch Central Bank (*De Nederlandsche Bank N.V.*), 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.

On 1 January 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 Dutch Central Bank, 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.

The core Tier 1 ratio, the Tier 1 ratio and the total capital ratio are the most common ratios used to measure solvency. The core Tier 1 ratio expresses the relationship between core Tier 1 capital and total risk-weighted assets. At 31 December 2012, Rabobank Group’s core Tier 1 ratio stood at 13.2 per cent. (year-end 2011: 12.7 per cent.).

Risk-weighted assets were down €0.8 billion to €222.8 billion at 31 December 2012 compared to €223.6 billion 31 December 2011. Retained earnings were a contributing factor in the €1.0 billion increase in core Tier 1 capital to €29.3 billion at 31 December 2012 compared to €28.3 billion at 31 December 2011. See “Regulation of Rabobank Group” for further discussion of the Basel standards.

The Tier 1 ratio expresses the relationship between Tier 1 capital and total risk-weighted assets. As at 31 December 2012, Rabobank Group’s Tier 1 ratio stood at 17.2 per cent. (year-end 2011: 17.0 per cent.). The minimum requirement set by external supervisors is 4.0 per cent.

The total capital ratio is calculated by dividing the total of Tier 1 and Tier 2 capital by the total of risk-weighted assets. At 31 December 2012, the total capital ratio stood at 19.0 per cent. (year-end 2011: 17.5 per cent.). This exceeds the current minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the risk-weighted capital ratios of Rabobank Group at 31 December 2012, 31 December 2011 and 31 December 2010:

### **Development in capital and solvency ratios**

|  | <b>At 31 December</b> |             |             |
|--|-----------------------|-------------|-------------|
| <i>(in millions of euro, except percentages)</i> | <b>2012</b>           | <b>2011</b> | <b>2010</b> |
| Core Tier 1 capital                              | 29,307                | 28,324      | 27,735      |
| Core Tier 1 ratio                                | 13.2%                 | 12.7%       | 12.6%       |
| Tier 1 capital                                   | 38,412                | 37,964      | 34,461      |
| Tier 1 ratio                                     | 17.2%                 | 17.0%       | 15.7%       |
| Qualifying capital                               | 42,375                | 39,088      | 35,734      |
| Total capital ratio                              | 19.0%                 | 17.5%       | 16.3%       |

### **Selected statistical information\***

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

#### **Return on equity and assets**

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

| <i>(in percentages)</i>               | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------------------------|------|------|------|------|------|
| Return on assets <sup>(1)</sup>       | 0.28 | 0.38 | 0.42 | 0.37 | 0.47 |
| Return on equity <sup>(2)</sup>       | 4.70 | 6.17 | 7.00 | 6.37 | 8.67 |
| Equity to assets ratio <sup>(3)</sup> | 5.96 | 6.19 | 4.84 | 5.82 | 5.47 |

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:

| <i>(in millions of euro, except percentages)</i>        | 2012  | 2011  | 2010  | 2009  | 2008  |
|---|-------|-------|-------|-------|-------|
| Outstanding Rabobank Member Certificates <sup>(1)</sup> | 6,587 | 6,551 | 6,368 | 6,275 | 6,180 |
| Payments  | 328   | 315   | 303   | 318   | 316   |
| Average yield   | 4.98% | 4.81% | 4.76% | 5.07% | 5.11% |

Note:

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

#### **Loan portfolio**

Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses Rabobank Group's loan portfolio by sector at 31 December 2012, 31 December 2011 and 31 December 2010:

|   | <b>At 31 December</b> |                |                |
|---|-----------------------|----------------|----------------|
| <i>(in millions of euro)</i>                            | <b>2012</b>           | <b>2011</b>    | <b>2010</b>    |
| Private sector lending                                  | 458,091               | 448,337        | 436,292        |
| Government clients                                      | 3,764                 | 3,557          | 5,602          |
| Securities transactions due from private sector lending | 11,410                | 7,026          | 7,840          |
| Interest rate hedges (hedge accounting)                 | 12,034                | 9,165          | 6,207          |
| <b>Total loans to customers</b>                         | <b>485,299</b>        | <b>468,085</b> | <b>455,941</b> |

|   | At 31 December |                |                |
|---|----------------|----------------|----------------|
| (in millions of euro)                   | 2012           | 2011           | 2010           |
| Value adjustments in loans to customers | (3,715)        | (3,089)        | (2,610)        |
| Reclassified assets                     | 4,224          | 5,588          | 6,954          |
| <b>Gross loans to customers</b>         | <b>484,790</b> | <b>465,586</b> | <b>451,597</b> |

The following table sets forth a geographic breakdown of Rabobank Group's loan portfolio at 31 December 2012, 31 December 2011 and 31 December 2010:

|                                     | At 31 December |                |                |
|-------------------------------------|----------------|----------------|----------------|
| (in millions of euro)               | 2012           | 2011           | 2010           |
| The Netherlands                     | 2,584          | 1,764          | 1,847          |
| Other countries in the EU zone      | 408            | 771            | 484            |
| North America                       | 444            | 484            | 510            |
| Latin America                       | 5              | 7              | 11             |
| Asia                                | 256            | 465            | 2,603          |
| Australia                           | 5              | 12             | 10             |
| Other countries                     | 61             | 54             | 137            |
| <b>Total government clients</b>     | <b>3,764</b>   | <b>3,557</b>   | <b>5,602</b>   |
| The Netherlands                     | 341,614        | 332,489        | 320,446        |
| Other countries in the EU zone      | 35,737         | 38,540         | 38,283         |
| North America                       | 42,010         | 40,876         | 41,245         |
| Latin America                       | 11,414         | 10,950         | 9,739          |
| Asia                                | 6,284          | 5,672          | 7,925          |
| Australia                           | 20,812         | 19,666         | 18,555         |
| Other countries                     | 220            | 144            | 99             |
| <b>Total private sector lending</b> | <b>458,091</b> | <b>448,337</b> | <b>436,292</b> |

## Risk elements\*

### **Breakdown of assets and liabilities by repayment date\***

The following table shows Rabobank's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date. These amounts correspond with the statement of financial position.

|   | At 31 December |                    |                    |              |                   |        |
|---|----------------|--------------------|--------------------|--------------|-------------------|--------|
| Payments due by period<br>(in millions of euro) | On demand      | Less than 3 months | 3 months to 1 year | 1 to 5 years | More than 5 years | Total  |
| Cash and cash equivalents                       | 64,198         | 3,903              | 2                  | 0            | 0                 | 68,103 |
| Due from other banks                            | 14,619         | 17,005             | 1,545              | 1,943        | 274               | 35,386 |
| Trading financial assets                        | 1,316          | 768                | 582                | 2,260        | 1,461             | 6,387  |

**At 31 December 2012**

| <i>Payments due by period<br/>(in millions of euro)</i>          | On<br>demand     | Less than<br>3 months | 3 months<br>to 1 year | 1 to 5<br>years | More than<br>5 years | Total          |
|--|------------------|-----------------------|-----------------------|-----------------|----------------------|----------------|
| Other financial assets at fair value through profit or loss      | 0                | 8                     | 1,217                 | 1,205           | 3,481                | 5,911          |
| Derivative financial instruments                                 | 300              | 4,912                 | 4,374                 | 22,332          | 33,505               | 65,423         |
| Loans to customers   | 28,166           | 41,362                | 32,683                | 85,437          | 297,651              | 485,299        |
| Available-for-sale financial assets                              | 56               | 3,957                 | 3,189                 | 6,718           | 36,505               | 50,425         |
| Deferred tax assets  | —                | —                     | 62                    | —               | 559                  | 621            |
| Other assets (excluding employee benefits)                       | 1,019            | 4,947                 | 1,534                 | 2,088           | 304                  | 9,892          |
| <b>Total financial assets</b>                                    | <b>109,674</b>   | <b>76,862</b>         | <b>45,188</b>         | <b>121,983</b>  | <b>373,740</b>       | <b>727,447</b> |
| Due to other banks   | 2,520            | 16,101                | 2,047                 | 5,157           | 1,234                | 27,059         |
| Due to customers   | 238,013          | 56,293                | 10,962                | 14,309          | 14,694               | 334,271        |
| Debt securities in issue   | 1                | 46,851                | 61,091                | 77,756          | 37,637               | 223,336        |
| Derivative financial instruments and other trade liabilities     | 10,001           | 5,182                 | 4,580                 | 26,788          | 28,249               | 74,800         |
| Other debts (excluding employee benefits)                        | 1,570            | 6,800                 | 466                   | 828             | 18                   | 9,682          |
| Other financial liabilities at fair value through profit or loss | 1,532            | 920                   | 3,294                 | 8,340           | 10,005               | 24,091         |
| Deferred tax liabilities   | —                | —                     | 23                    | —               | 673                  | 696            |
| Subordinated debt  | 0                | 12                    | 22                    | 540             | 4,833                | 5,407          |
| <b>Total financial liabilities</b>                               | <b>253,637</b>   | <b>132,159</b>        | <b>82,485</b>         | <b>133,718</b>  | <b>97,343</b>        | <b>699,342</b> |
| <b>Net liquidity surplus/(deficit)</b>                           | <b>(143,963)</b> | <b>(55,297)</b>       | <b>(37,297)</b>       | <b>(11,735)</b> | <b>276,397</b>       | <b>28,105</b>  |

The above breakdown was compiled on the basis of contract information, without taking into account actual movements in items in the statement of financial position. This is taken into account, however, for the day-to-day management of liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, historically this has been a stable source of financing. The regulations of the supervisory authority are also factored in. Based on the liquidity criteria of the Dutch Central Bank, Rabobank had a substantial liquidity surplus at 31 December 2012 and throughout 2012. The average liquidity surplus was 44 per cent. of the total liquidity requirement. The surplus at 31 December 2012 was 41 per cent.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required.

### **Interest rate sensitivity**

The 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 2012, the BPV did not exceed €12 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of Rabobank Group equity's market value to interest rate fluctuations. A 100 basis

point overnight upward parallel shock of the curve will result in a 1.4 per cent. drop in market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the amount of net interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease 5 basis points over a one-year period, net interest income would decrease by €18 million.

### **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 31 December 2012, there were no cross-border outstandings exceeding 1 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

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

| (in millions of euro)      | Banks  | Public authorities | Private sector | Total  |
|----------------------------|--------|--------------------|----------------|--------|
| <b>At 31 December 2012</b> |        |                    |                |        |
| France                     | 4,448  | 6,001              | 4,213          | 14,662 |
| Germany                    | 3,556  | 6,605              | 5,751          | 15,912 |
| United Kingdom             | 11,441 | 3,775              | 14,709         | 29,925 |
| Poland                     | 28     | 3,024              | 7,733          | 10,785 |
| United States              | 5,294  | 14,471             | 53,871         | 73,636 |
| Brazil                     | 1,462  | 663                | 6,219          | 8,344  |
| Australia                  | 794    | 919                | 15,566         | 17,279 |
| <b>At 31 December 2011</b> |        |                    |                |        |
| France                     | 1,629  | 6,305              | 3,686          | 11,620 |
| Germany                    | 2,809  | 7,335              | 6,237          | 16,381 |
| United Kingdom             | 8,312  | 3,020              | 10,062         | 21,394 |
| Poland                     | 149    | 2,440              | 6,562          | 9,151  |
| United States              | 4,446  | 10,556             | 52,424         | 67,426 |
| Brazil                     | 1,217  | 921                | 6,423          | 8,561  |
| Australia                  | 433    | 423                | 14,614         | 15,470 |
| <b>At 31 December 2010</b> |        |                    |                |        |
| France                     | 4,398  | 12,151             | 3,368          | 19,917 |
| Germany                    | 4,054  | 9,441              | 5,955          | 19,450 |
| Ireland                    | 228    | 177                | 6,880          | 7,285  |
| United Kingdom             | 7,650  | 440                | 10,377         | 18,467 |

| (in millions of euro) | Banks | Public authorities | Private sector | Total  |
|-----------------------|-------|--------------------|----------------|--------|
| Poland                | 70    | 2,970              | 5,982          | 9,022  |
| United States         | 6,685 | 6,876              | 55,551         | 69,112 |
| Brazil                | 955   | 1,040              | 5,267          | 7,262  |
| Japan                 | 2,918 | 5,207              | 210            | 8,335  |
| Australia             | 824   | 888                | 14,363         | 16,075 |

***Diversification of loan portfolio\****

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

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 31 December 2012:

| <b>At 31 December 2012</b>                           |               |              |               |
|--|---------------|--------------|---------------|
| (in millions of euro)                                | On balance    | Off balance  | Total         |
| Grain and oilseeds                                   | 16,111        | 754          | 16,865        |
| Animal protein                                       | 17,747        | 288          | 18,035        |
| Dairy  | 15,436        | 141          | 15,577        |
| Fruit and vegetables                                 | 9,365         | 194          | 9,559         |
| Farm inputs  | 6,024         | 832          | 6,856         |
| Food retail  | 5,730         | 221          | 5,951         |
| Beverages  | 3,921         | 21           | 3,942         |
| Flowers  | 3,159         | 8            | 3,167         |
| Sugar  | 2,268         | 114          | 2,382         |
| Miscellaneous crop farming                           | 2,682         | 4            | 2,686         |
| Other  | 9,993         | 122          | 10,115        |
| <b>Total private sector lending to food and agri</b> | <b>92,436</b> | <b>2,700</b> | <b>95,136</b> |
| Lessors of real estate                               | 29,516        | 36           | 29,552        |
| Finance and insurance (except banks)                 | 19,835        | 1,588        | 21,423        |
| Wholesale  | 17,844        | 4,540        | 22,384        |
| Activities related to real estate                    | 7,142         | 1,355        | 8,497         |
| Manufacturing  | 9,300         | 1,872        | 11,172        |
| Transportation and warehousing                       | 7,196         | 297          | 7,493         |
| Construction   | 7,066         | 1,424        | 8,490         |
| Healthcare and social assistance                     | 6,017         | 34           | 6,051         |
| Professional, scientific and technical services      | 5,983         | 243          | 6,226         |
| Retail (except food and beverages)                   | 4,642         | 908          | 5,550         |
| Utilities  | 2,448         | 695          | 3,143         |

**At 31 December 2012**

| <i>(in millions of euro)</i>   | On balance     | Off balance   | Total          |
|--|----------------|---------------|----------------|
| Information and communication  | 1,444          | 69            | 1,513          |
| Arts entertainment and leisure   | 1,404          | 20            | 1,424          |
| Other  | 25,789         | 2,104         | 27,893         |
| <b>Total private sector lending to trade, manufacturing and services</b> | <b>145,626</b> | <b>15,186</b> | <b>160,812</b> |
| Private individuals  | 220,029        | 193           | 220,222        |
| <b>Total private sector lending</b>                                      | <b>458,091</b> | <b>18,079</b> | <b>476,170</b> |

Apart from due from other banks (€35.4 billion at 31 December 2012 which is 5 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 48 per cent. of the total loan portfolio at 31 December 2012. This portfolio has a relatively low risk profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 20 per cent. in 2012. The proportion of the total loan portfolio attributable to trade, industry and services was 32 per cent. at 31 December 2012. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10 per cent. of the total loan portfolio.

***Impaired loans***

Loans for which an allowance has been taken are called impaired loans. At 31 December 2012, these loans amounted to €11,203 million (2011: €9,958 million). The allowance for loan losses amounted to €3,842 million (2011: €3,222 million), which corresponds to a 34 per cent. (2011: 32 per cent.) coverage. Over and above this allowance, additional coverage is raised through collateral and other securities. Rabobank Group forms allowances at an early stage and applies the one-obligor principle, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 31 December 2012, impaired loans corresponded to 2.4 per cent. (2011: 2.2 per cent.) of the private sector loan portfolio.

The following table provides an analysis of Rabobank Group's impaired loans by business at 31 December 2012, 31 December 2011 and 31 December 2010:

| <b>At 31 December</b>                              |               |              |              |
|--|---------------|--------------|--------------|
| <i>(in millions of euro)</i>                       | <b>2012</b>   | <b>2011</b>  | <b>2010</b>  |
| Domestic retail banking                            | 5,317         | 4,559        | 3,577        |
| Wholesale banking and international retail banking | 3,456         | 3,493        | 2,649        |
| Leasing  | 905           | 832          | 960          |
| Real estate  | 1,525         | 1,066        | 793          |
| Other  | 0             | 8            | 70           |
| <b>Rabobank Group</b>                              | <b>11,203</b> | <b>9,958</b> | <b>8,049</b> |

***Summary of loan loss experience***

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

|  | At 31 December |                |                    |                |
|--|----------------|----------------|--------------------|----------------|
| (in millions of euro)                              | 2012           | 2011           | 2010<br>(restated) | 2010           |
| Domestic retail banking                            | 1,543          | 1,376          | 1,325              | 2,030          |
| Wholesale banking and international retail banking | 889            | 670            | 585                | 1,915          |
| Asset management                                   | 1              | 12             | 9                  | 9              |
| Leasing  | 451            | 444            | 387                | 387            |
| Real estate  | 205            | 94             | 45                 | 45             |
| Other  | 0              | 14             | 13                 | 13             |
| <b>Total balance at 1 January</b>                  | <b>3,089</b>   | <b>2,610</b>   | <b>2,364</b>       | <b>4,399</b>   |
| Domestic retail banking                            | 1,783          | 1,119          | 1,124              | 1,124          |
| Wholesale banking and international retail banking | 1,214          | 1,333          | 1,296              | 1,296          |
| Asset management                                   | 0              | 1              | 7                  | 7              |
| Leasing  | 264            | 313            | 287                | 287            |
| Real estate  | 240            | 147            | 67                 | 67             |
| <b>Total additions</b>                             | <b>3,501</b>   | <b>2,913</b>   | <b>2,781</b>       | <b>2,781</b>   |
| Domestic retail banking                            | (424)          | (465)          | (759)              | (759)          |
| Wholesale banking and international retail banking | (572)          | (578)          | (665)              | (665)          |
| Asset management                                   | (2)            | (1)            | (1)                | (1)            |
| Leasing  | (64)           | (127)          | (29)               | (29)           |
| Real estate  | (2)            | (18)           | (4)                | (4)            |
| <b>Total reversal of impairments</b>               | <b>(1,064)</b> | <b>(1,189)</b> | <b>(1,458)</b>     | <b>(1,458)</b> |
| Domestic retail banking                            | (1,376)        | (590)          | (415)              | (235)          |
| Wholesale banking and international retail banking | (658)          | (542)          | (581)              | (1,560)        |
| Asset management                                   | 0              | (2)            | (6)                | (6)            |
| Leasing  | (196)          | (199)          | (219)              | (219)          |
| Real estate  | (67)           | (19)           | (14)               | (14)           |
| Other  | 0              | (14)           | 0                  | 0              |
| <b>Total written off</b>                           | <b>(2,297)</b> | <b>(1,366)</b> | <b>(1,235)</b>     | <b>(2,034)</b> |
| Domestic retail banking                            | 501            | 103            | 101                | 101            |
| Wholesale banking and international retail banking | (28)           | 6              | 35                 | 34             |
| Asset management                                   | 1              | (9)            | 3                  | 3              |
| Leasing  | 12             | 20             | 18                 | 18             |
| Real estate  | 0              | 1              | 0                  | 0              |
| Other  | 0              | 0              | 1                  | 1              |
| <b>Total other</b>                                 | <b>486</b>     | <b>121</b>     | <b>158</b>         | <b>157</b>     |

| <i>(in millions of euro)</i>                       | <b>At 31 December</b> |              |                            |              |
|--|-----------------------|--------------|----------------------------|--------------|
|  | <b>2012</b>           | <b>2011</b>  | <b>2010<br/>(restated)</b> | <b>2010</b>  |
| Domestic retail banking                            | 2,027                 | 1,543        | 1,376                      | 2,261        |
| Wholesale banking and international retail banking | 845                   | 889          | 670                        | 1,020        |
| Asset management                                   | 0                     | 1            | 12                         | 12           |
| Leasing  | 467                   | 451          | 444                        | 444          |
| Real estate  | 376                   | 205          | 94                         | 94           |
| Other  | 0                     | 0            | 14                         | 14           |
| <b>Total other balance at 31 December</b>          | <b>3,715</b>          | <b>3,089</b> | <b>2,610</b>               | <b>3,845</b> |

**Due to customers\***

The following table presents a breakdown of due to customers at 31 December 2012, 31 December 2011 and 31 December 2010. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

| <i>(in millions of euro)</i>                 | <b>At 31 December</b> |                |                |
|--|-----------------------|----------------|----------------|
|  | <b>2012</b>           | <b>2011</b>    | <b>2010</b>    |
| Time deposits                                | 56,006                | 58,931         | 46,846         |
| Current accounts/settlement accounts         | 81,640                | 73,443         | 71,147         |
| Repurchase agreements                        | 2,299                 | 2,669          | 2,017          |
| Other  | 21,525                | 34,147         | 25,966         |
| <b>Total due to customers by businesses</b>  | <b>161,470</b>        | <b>169,190</b> | <b>145,976</b> |
| Savings deposits                             | 149,661               | 140,028        | 130,928        |
| Current accounts/settlement accounts         | 15,122                | 12,988         | 15,812         |
| Other  | 8,018                 | 7,686          | 6,045          |
| <b>Total due to customers by individuals</b> | <b>172,801</b>        | <b>160,702</b> | <b>152,785</b> |
| <b>Total due to customers</b>                | <b>334,271</b>        | <b>329,892</b> | <b>298,761</b> |

**Short-term borrowings\***

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue". An analysis of the balance of short-term borrowings at 31 December 2012, 31 December 2011 and 31 December 2010 is provided below.

| <i>(in millions of euro)</i> | 2012   | 2011   | 2010   |
|------------------------------|--------|--------|--------|
| Year-end balance             | 61,476 | 70,307 | 72,795 |
| Average balance              | 72,290 | 74,246 | 80,424 |
| Maximum month-end balance    | 82,795 | 79,737 | 88,623 |

### **Long-term borrowings**

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue" and "Other financial liabilities at fair value through profit or loss". An analysis of the balance of long-term borrowings at 31 December 2012, 31 December 2011 and 31 December 2010 is provided below.

| <i>(in millions of euro)</i> | 2012    | 2011    | 2010    |
|------------------------------|---------|---------|---------|
| Year-end balance             | 185,952 | 169,024 | 153,891 |
| Average balance              | 184,554 | 164,471 | 141,209 |
| Maximum month-end balance    | 191,074 | 169,024 | 153,891 |

## SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the audited consolidated financial statements of Rabobank Group, which have been audited by Ernst & Young Accountants LLP, the independent auditor in the Netherlands, with the exception of the bad debt costs, the latter being derived from the annual report of Rabobank Group. The data should be read in conjunction with the consolidated financial statements, related notes incorporated by reference herein and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Base Prospectus. The Rabobank Group audited consolidated financial statements for the year ended 31 December 2012 and 31 December 2011 have been prepared in accordance with IFRS as adopted by the European Union.

### Consolidated statement of financial position

|  | At 31 December |                |
|--|----------------|----------------|
| (in millions of euro)  | 2012           | 2011           |
| <b>Assets</b>  |                |                |
| Cash and cash equivalents                                    | 68,103         | 70,430         |
| Due from other banks   | 35,386         | 25,221         |
| Trading financial assets                                     | 6,387          | 8,112          |
| Other financial assets at fair value through profit or loss  | 5,911          | 7,015          |
| Derivative financial instruments                             | 65,423         | 58,973         |
| Loans to customers   | 485,299        | 468,085        |
| Available-for-sale financial assets                          | 50,425         | 51,930         |
| Held-to-maturity financial assets                            | 0              | 109            |
| Investments in associates                                    | 3,649          | 3,340          |
| Intangible assets  | 2,343          | 2,802          |
| Property and equipment                                       | 6,500          | 6,132          |
| Investment properties  | 1,489          | 784            |
| Current tax assets   | 597            | 571            |
| Deferred tax assets  | 621            | 995            |
| Other assets   | 11,939         | 12,210         |
| Non-current assets held for sale and discontinued operations | 8,338          | 14,956         |
| <b>Total assets</b>  | <b>752,410</b> | <b>731,665</b> |

|                          | At 31 December |         |
|--------------------------|----------------|---------|
| (in millions of euro)    | 2012           | 2011    |
| <b>Liabilities</b>       |                |         |
| Due to other banks       | 27,059         | 26,259  |
| Due to customers         | 334,271        | 329,892 |
| Debt securities in issue | 223,336        | 213,441 |

**At 31 December**

| <i>(in millions of euro)</i>                                     | <b>2012</b>    | <b>2011</b>    |
|--|----------------|----------------|
| Derivative financial instruments and other trade liabilities     | 74,800         | 64,931         |
| Other debts  | 9,950          | 8,422          |
| Other financial liabilities at fair value through profit or loss | 24,091         | 25,889         |
| Provisions   | 752            | 765            |
| Current tax liabilities  | 205            | 324            |
| Deferred tax liabilities   | 696            | 893            |
| Subordinated debt  | 5,407          | 2,413          |
| Liabilities held for sale and discontinued operations            | 7,216          | 13,435         |
| <b>Total liabilities</b>   | <b>707,783</b> | <b>686,664</b> |

**At 31 December**

| <i>(in millions of euro)</i>                     | <b>2012</b>    | <b>2011</b>    |
|--|----------------|----------------|
| <b>Equity</b>                                    |                |                |
| Equity of Rabobank Nederland and local Rabobanks | 27,858         | 26,500         |
| Equity instruments issued directly               |                |                |
| Rabobank Member Certificates                     | 6,672          | 6,614          |
| Capital Securities                               | 7,114          | 7,645          |
|  | 41,644         | 40,759         |
| Equity instruments issued by subsidiaries        |                |                |
| Capital Securities                               | 236            | 167            |
| Trust Preferred Securities III to VI             | 1,340          | 1,399          |
|  | 1,576          | 1,566          |
| Other non-controlling interests                  | 1,407          | 2,676          |
| Total equity                                     | 44,627         | 45,001         |
| <b>Total equity and liabilities</b>              | <b>752,410</b> | <b>731,665</b> |

**Consolidated statement of income**

|                              | <b>Year ended<br/>31 December</b> |              |
|------------------------------|-----------------------------------|--------------|
| <i>(in millions of euro)</i> | <b>2012</b>                       | <b>2011</b>  |
| Interest income              | 21,702                            | 21,299       |
| Interest expense             | 12,605                            | 12,125       |
| <b>Interest</b>              | <b>9,097</b>                      | <b>9,174</b> |
| Commission income            | 2,553                             | 2,726        |

|   | <b>Year ended<br/>31 December</b> |               |
|---|-----------------------------------|---------------|
| <i>(in millions of euro)</i>  | <b>2012</b>                       | <b>2011</b>   |
| Commission expense  | 347                               | 365           |
| <b>Fees and commission</b>  | <b>2,206</b>                      | <b>2,361</b>  |
| Income from associates  | 255                               | (20)          |
| Net income from financial assets and liabilities at fair value through profit or loss | 823                               | 657           |
| Gains/(losses) on available-for-sale financial assets                                 | 114                               | (174)         |
| Other income  | 957                               | 708           |
| <b>Income</b>   | <b>13,452</b>                     | <b>12,706</b> |
| Staff costs   | 5,325                             | 4,862         |
| Other administrative expenses   | 2,979                             | 2,850         |
| Depreciation  | 527                               | 540           |
| <b>Operating expenses</b>   | <b>8,831</b>                      | <b>8,252</b>  |
| Value adjustments   | 2,350                             | 1,606         |
| Bank tax  | 196                               | —             |
| <b>Operating profit before taxation</b>   | <b>2,075</b>                      | <b>2,848</b>  |
| Income tax expense  | 160                               | 355           |
| Net profit from continuing operations   | 1,915                             | 2,493         |
| Net profit from discontinued operations   | 197                               | 134           |
| <b>Net profit</b>   | <b>2,112</b>                      | <b>2,627</b>  |
| Of which attributable to Rabobank Nederland and local Rabobanks                       | 897                               | 1,549         |
| Of which attributable to holders of Rabobank Member Certificates                      | 328                               | 315           |
| Of which attributable to Capital Securities   | 717                               | 612           |
| Of which attributable to Trust Preferred Securities III to VI                         | 75                                | 73            |
| Of which attributable to non-controlling interests                                    | 95                                | 78            |
| <b>Net profit for the year</b>  | <b>2,112</b>                      | <b>2,627</b>  |

#### **Financial ratios:**

|   | <b>2012</b> | <b>2011</b> |
|---|-------------|-------------|
| Total capital ratio                                 | 19.0%       | 17.5%       |
| Tier 1 ratio  | 17.2%       | 17.0%       |
| Core Tier 1 ratio                                   | 13.2%       | 12.7%       |
| Equity capital ratio <sup>(1)</sup>                 | 15.3%       | 14.7%       |
| Bad debt costs (in basis points of average lending) | 52          | 37          |

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Note:

- (1) The equity capital ratio is calculated by dividing retained earnings and Rabobank Member Certificates by total of risk-weighted assets.

## RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the 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 Group Operational Risk Committee ("GORC") focuses on operational risks, whereas the 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 committees report to the Executive Board, which is ultimately responsible for risk management within Rabobank Group.

The principal risks faced by Rabobank Group are credit risk, country risk, interest rate risk, liquidity risk, market 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 Rabobank Group's business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group's activities also plays a role in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the year ended 31 December 2012, Rabobank realised a RAROC, which is the ratio between net profit and average economic capital, after tax of 9.0 per cent.

### Credit risk

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. At 31 December 2012, 48 per cent. of Rabobank Group's credit loan portfolio to the private sector consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 52 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the total exposure including the requested financing determining the applicable committee level. The Executive Board itself decides on the largest credit

applications. Rabobank Group has three Policy Credit Committees (“**PCCs**”): Rabobank Group PCC and the Rabobank International and Member Banks PCCs. Rabobank Group PCC establishes Rabobank Group’s credit risk policy. Rabobank Group entities define and establish their own credit policies within this framework. In this context, the Member Banks PCC is responsible for domestic retail banking and the Rabobank International PCC for wholesale banking and international retail banking. Rabobank Group PCC is chaired by the CFO and the Executive Board is represented by three members. The CFO also chairs the Rabobank International and Member Banks PCCs. The PCCs are composed of representatives from Rabobank Group’s most senior management levels. For corporate loans, a key concept in Rabobank Group’s policy for accepting new clients is the “know your customer” principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by Rabobank Group. In addition, Rabobank Group is familiar with the industry in which a client operates and can assess its clients’ financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

With respect to the management of Rabobank Group’s exposure to credit risk, Rabobank 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.

Rabobank Group uses the Advanced IRB approach for credit risk. This is the most risk-sensitive form of the Basel II Credit Risk approaches. Rabobank Group has professionalised its risk management even further by combining Basel II compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are EAD (Exposure At Default), PD (Probability of Default) and LGD (Loss Given Default). It is partly on the basis of these parameters that Rabobank Group determines the economic capital and the Risk Adjusted Return On Capital (RAROC). These Basel II parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the Basel II parameters and RAROC support credit analysts and the Credit Committees in making well-considered decisions. Every group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

Rabobank Group believes it has a framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group’s policy for accepting new clients is characterised by careful assessment of clients and their ability to make repayments on credit granted. As a result, Rabobank believes the loan portfolio has a relatively low risk profile. Rabobank Group’s objective is to enter into long-term relationships with clients which are beneficial for both the client and Rabobank Group.

EAD is the expected exposure to the client in the event of, and at the time of, a counterparty’s default. At year-end 2012, the EAD of the total Advanced IRB loan portfolio was €606 billion (2011: €606 billion). This EAD includes the expected future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty’s PD over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, the form of which varies from payment arrears of 90 days to bankruptcy. The weighted average PD of the total Advanced IRB loan portfolio is 1.03 per cent. (2011: 1.06 per cent.). This improvement in PD was caused by a change

in the PD of existing debtors as well as by changes in the composition of the portfolio (inflow and outflow of clients), the implementation of new models and policy changes.

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) of 31 December 2012, 2011 and 2010 per business unit as a percentage of private sector loans:

#### **Impaired loans/private sector lending per business unit**

|  | <b>At 31 December</b> |             |             |
|--|-----------------------|-------------|-------------|
| <i>(in percentages)</i>                            | <b>2012</b>           | <b>2011</b> | <b>2010</b> |
| Domestic retail banking                            | 1.73                  | 1.54        | 1.56        |
| Wholesale banking and international retail banking | 3.35                  | 3.46        | 3.25        |
| Leasing  | 3.18                  | 3.10        | 3.93        |
| Real Estate  | 8.24                  | 5.53        | 4.40        |
| <b>Rabobank Group</b>                              | <b>2.47</b>           | <b>2.25</b> | <b>2.16</b> |

#### **Bad debt costs**

Once a loan has been granted, ongoing credit management takes place as part of which new information, both financial and non-financial, is assessed. The bank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within Rabobank Group, particularly in case of larger and more complex loans granted to businesses whose continuity is at stake. If it is likely that the debtor will be unable to fulfil its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income.

The following table sets forth Rabobank Group's bad debt costs for the three years ended 31 December 2012, 2011 and 2010 per business unit as a percentage of private sector lending:

#### **Bad debt costs/average private sector lending per business unit**

|  | <b>Year ended 31 December</b> |             |             |
|--|-------------------------------|-------------|-------------|
| <i>(in percentages)</i>                            | <b>2012</b>                   | <b>2011</b> | <b>2010</b> |
| Domestic retail                                    | 0.44                          | 0.22        | 0.13        |
| Wholesale banking and international retail banking | 0.59                          | 0.73        | 0.64        |
| Leasing  | 0.53                          | 0.58        | 0.90        |
| Real estate  | 1.24                          | 0.69        | 0.36        |
| <b>Rabobank Group</b>                              | <b>0.52</b>                   | <b>0.37</b> | <b>0.29</b> |

## Structured credit

Rabobank Group's trading and investment portfolios have limited direct exposure to more structured investments, which amounted to €4.0 billion at 31 December 2012, compared to €4.6 billion at 31 December 2011, of which the majority, 76 per cent. (2011: 79 per cent.), is single A-rated or higher.

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 creditworthiness of a number of monoline insurers is subject to downward pressure, which was also reflected by the downgrading of the credit ratings of these institutions. Counterparty risk relating to these monoline insurers arises in case the value of the credit default swaps with these counterparties increases, due to a decrease of the fair value of the underlying investments, or because other insured investments can lead to payment claims against these insurers. In this, the credit quality of the investments and time-related aspects are taken into account. At 31 December 2012, the total counterparty risk before provisions amounted to €728 million. The total provisions on that date ended up at €634 million. The remaining counterparty risk at 31 December 2012 amounted to €94 million.

Given these figures, further downgrades of monoline insurers would have a limited impact, because, for the major part of this type of counterparty, risk provisions have already been made.

## Country risk

Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

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

At Rabobank Group level, the country risk outstanding, including additional capital requirements for transfer risk, is reported every quarter to Rabobank Group's Balance Sheet and Risk Management Committee Rabobank Group (the "**BRMC-RG**") and the Country Limit Committee. The calculations of additional capital requirements for transfer risk are made in accordance with internal guidelines and cover all countries where transfer risk is relevant. Since concerns about the euro increased, the outstanding country risk, including the sovereign risk for relevant countries, has been reported on a monthly basis. Special Basel II parameters, specifically EATE (Exposure at Transfer Event), PTE (Probability of Transfer Event) and LGTE (Loss Given Transfer Event), are used to calculate the additional capital requirement for transfer risk. These calculations are made in accordance with internal guidelines and cover all countries where risk is relevant.

At 31 December 2012, the collective debtor risk for non-OECD countries was €24.6 billion and the net transfer risk before provisions for non-OECD countries was €10.7 billion, which corresponds to 1.4 per cent. of total assets (2011: 1.7 per cent.).

### Risk in non-OECD countries

|  |            |            |               |              |               | 31 December 2012        |
|--|------------|------------|---------------|--------------|---------------|-------------------------|
| Regions  | Europe     | Africa     | Latin America | Asia/Pacific | Total         | As % of total assets    |
| Economic country (exclusive of derivatives)      | 913        | 542        | 9,685         | 13,425       | 24,565        | 3.3%                    |
| Risk-mitigating components:                      |            |            |               |              |               |                         |
| - local currency                                 | 154        | 124        | 6,532         | 3,646        | 10,457        |                         |
| - third-party coverage of country                | 154        | 187        | 288           | 285          | 914           |                         |
| - deductions for transactions with lower risk    | 0          | 57         | 490           | 1,911        | 2,457         |                         |
| <i>Net country risk before allowance</i>         | <i>605</i> | <i>174</i> | <i>2,375</i>  | <i>7,582</i> | <i>10,737</i> | <i>1.4%</i>             |
|  |            |            |               |              |               | As % of total allowance |
| <i>Total allowance for economic country risk</i> | <i>2</i>   | <i>0</i>   | <i>172</i>    | <i>141</i>   | <i>315</i>    | <i>8.2%</i>             |

At 31 December 2012, Rabobank Group exposure to government bonds issued by Ireland and Italy was €202 million. Rabobank Group no longer held any government bonds issued by Greece, Portugal or Spain. Rabobank Group holds no government bonds issued by Cyprus. There was a limited exposure to Greek state-guaranteed bonds of €24 million. The bonds issued by financial institutions in the countries referred to in the following table are mainly Spanish covered bonds backed by additional collateral provided by the issuing entity.

### Government exposure at year-end 2012 (in millions of euro)

| Country      | Government bonds | State-guaranteed bonds | Bonds issued by financial institutions | Total        | Cumulative changes through profit or loss at 31 December 2012 |
|--------------|------------------|------------------------|--|--------------|---|
| Greece       | —                | 24                     | —                                      | 24           | 47  |
| Ireland      | 54               | —                      | 41                                     | 95           | —   |
| Italy        | 148              | —                      | 56                                     | 204          | —   |
| Portugal     | —                | —                      | —                                      | —            | —   |
| Spain        | —                | —                      | 1,338                                  | 1,388        | 67  |
| <b>Total</b> | <b>202</b>       | <b>24</b>              | <b>1,435</b>                           | <b>1,661</b> | <b>114</b>  |

Based on Rabobank Group's accounting policies, it has been established with respect to the Greek government bonds and a number of bonds issued by financial institutions that impairment losses need to be recognised; these positions have been impaired to their fair market value at 31 December 2012. The average valuation of the Greek government bonds and state-guaranteed bonds was 34 per cent. at year-end 2012.

Exposure to European government bonds other than Dutch, German and French is very limited.

## Interest rate risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group uses three indicators for managing, controlling and limiting short- and long-term interest rate risk: Basis Point Value, Income at Risk and Equity at Risk. Based on the Basis Point Value, 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 the Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of net interest income (interest income less interest expenses, before tax) for changes in interest rates. This "Income at Risk" figure represents the change in net interest income for the coming 12 months, due to parallel increases/decreases in interest rates, assuming no management intervention. The Income at Risk calculation also takes account of changes in client savings and prepayments behaviour in reaction to interest rate movements and changes in the pricing policy of savings products. In the past, the applied interest rate scenarios were based on the assumption that all money and capital market interest rates will show an even and parallel increase/decline by 200 basis points during the first 12 months. Given the low interest rate environment and the assumption that interest rates cannot become negative, the methodology which assumed a 200 basis point decline has been replaced by an alternative methodology that assumes an interest rate decline by 75 basis points in 2011 and 5 basis points in 2012. The simulation of the possible net interest income development is based on an internal interest rate risk model. This model includes certain assumptions regarding the interest rate sensitivity of products with interest rates that are not directly linked to a certain money or capital market rate, such as savings of private customers.

Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of "Equity at Risk", which is the sensitivity of Rabobank Group's economic value of equity to an instant parallel change in interest rates of 200 basis points. The economic value of equity is defined as the present value of the assets less the present value of the liabilities plus the present value of the off-balance sheet items. In the Equity at Risk calculation, client behaviour and the bank's pricing policy are supposed to show no changes, while all market interest rates are assumed to increase by 100 basis points at once. Just as in the Income at Risk calculation, the impact analysis of these scenarios is based on an internal interest rate risk model. In that model, balance sheet items without a contractual maturity, like demand savings deposits and current accounts, are included as a replicating portfolio. Equity at Risk is expressed as a percentage. This percentage represents the deviation from the economic value of equity at the reporting date.

At 31 December 2012, the Income at Risk ("IaR") and Equity at Risk ("EaR") for Rabobank Group were as follows:

| (in millions of euro, except percentages) | 2012         | 2011          |
|---|--------------|---------------|
|   | 5 bp decline | 75 bp decline |
| Income at Risk (€ million)                | (18)         | (216)         |
| Equity at Risk                            | 1.4%         | 2.2%          |

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

## **Liquidity risk**

Liquidity risk is the risk that a bank will not be able to fulfil all its payment and repayment obligations on time, as well as the risk that it will at some time be unable to fund increases in assets at a reasonable price, if at all.

Responsibility for the day-to-day management of liquidity exposures, the raising of professional funding on the money market and the capital market, and the management of the structural position lies with Rabobank Group's Treasury department, which reports to the CFO. In keeping with the Basel principles, the policy is aimed at financing long-term loans by means of stable funding, specifically amounts due to customers and long-term funding from the professional markets. Rabobank Group's funding and liquidity risk policy also entails strictly limiting outgoing cash flows at the wholesale banking business, maintaining a large liquidity buffer and raising sufficient long-term funding in the international capital market. The retail banking division is assumed to be largely self-funding thanks to money raised from customers. The division raised more than enough money to fund operations in 2012, thanks to growth in amounts due to customers at the retail banking division outpacing growth in lending.

Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group. Rabobank has developed several methods to measure and manage liquidity risk, including a method for calculating the survival period, i.e. the period that the liquidity buffer will hold up under severe market-specific or idiosyncratic stress. In the most severe stress scenario, it is assumed that the Bank no longer has access to the capital markets, i.e. no long- or short-term debt can be issued or refinanced. During 2012, Rabobank more than satisfies the minimum survival period of three months in all the internally used scenarios.

## **Market risk**

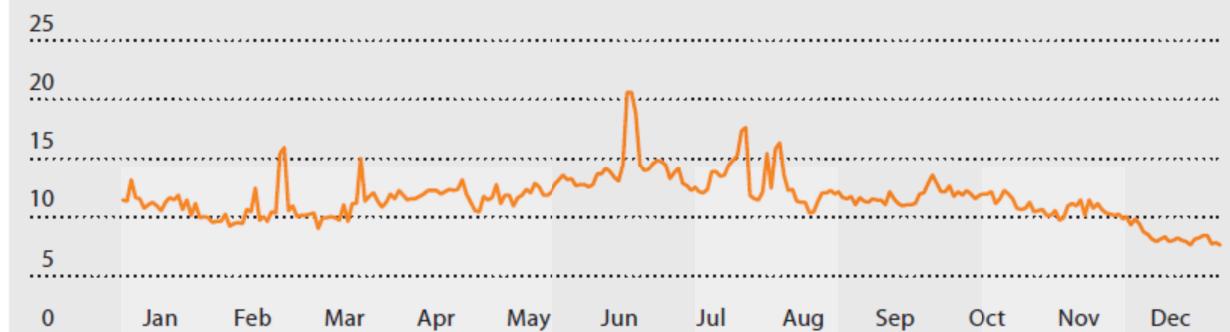
Market risk relates to the change in value of Rabobank Group's trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors Rabobank Group's worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the Dutch Central Bank. Rabobank Group's risk models are based on the "Value at Risk" concept. Value at Risk describes the maximum possible loss that Rabobank Group can suffer within a defined holding period, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These "event risk scenarios" measure the effect of sharp and sudden changes in market prices. Value at Risk and event risk are tied to limits that are set by the Executive Board on an annual basis.

For the year ended 31 December 2012, the Value at Risk, based on a one-day holding period and 97.5 per cent. confidence level, fluctuated between €7.6 million (2011: €10 million) and €20.6 million (2011: €24 million), with an average of €11.6 million (2011: €16 million). The slight decrease of the average Value at Risk compared to 2011 follows from changes in positions and activities.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, other risk indicators are also used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Market Risk department, as well as the BRMC-RG, in evaluating Rabobank Group's market positions.

## Value at Risk

in millions of euros



Source: Rabobank Group Annual Report 2012

## Operational risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and systems or from external events. Possible legal and reputational risks are included while assessing and managing operational risks. Rabobank Group has a group-wide operational risk policy and it applies the Advanced Measurement Approach to its operational risk framework. The group-wide operational risk policy is based upon the principle that the primary responsibility for managing operational risks lies with Rabobank Group entities and should be interwoven in the strategic and daily decision-making. The management of each Rabobank Group entity is responsible for developing policies and procedures to manage their specific operational risks in line with Rabobank Group Operational Risk Management policy. Group Risk Management — Operational Risk Management (“**GRM-ORM**”) offers overview, support tools, expertise and challenge to the group entities and provides transparency in Rabobank Group to senior management. Examples of the instruments made available to facilitate operational risk management within each Rabobank Group entity include risk assessment and scenario analysis. All entities record operational incidents and report them on a quarterly basis to the Group Operational Risk department which are, in turn, used for both operational risk management and measurement.

Rabobank has received subpoenas and requests for documents and information from various regulatory agencies and competition and criminal authorities in, *inter alia*, the Netherlands, the United Kingdom, the United States, Japan, Hong Kong, Singapore, and Switzerland. The documents and information are requested as part of ongoing investigations conducted by the relevant agencies and authorities and concern the LIBOR submission processes for various currencies and the EURIBOR submission process. Rabobank was at various times a member of eight of the ten LIBOR panels and the EURIBOR panel, and is a member of the LIBOR panels for three currencies: Pounds Sterling, U.S. Dollar and Euro. Rabobank was never a member of the TIBOR panel. Rabobank is cooperating fully with the investigations.

Rabobank, along with other panel banks, has been named as a defendant in a number of putative class action lawsuits and private individual civil suits pending in the U.S. that assert federal and state claims relating to U.S. Dollar LIBOR, Japanese Yen LIBOR, TIBOR, and EURIBOR.

## **Currency risk**

Currency risk is the risk of changes in income or equity as a result of currency exchange movements. In currency risk management, a distinction is made between positions in trading books and positions in banking books. In the trading books, currency risk is part of market risk and is controlled using Value at Risk and other limits, as are other market risks. This risk is monitored on a daily basis. The policy aims to prevent open positions whenever possible. The value at risk from currency risk exposure in the trading books stood at 0.8 at 31 December 2012 (2011: 1.3). The non-trading books are only exposed to the translation risk on capital invested in foreign activities and on issues of hybrid equity instruments not denominated in euros. To monitor and manage translation risk, Rabobank follows a policy of protecting equity against exchange rate fluctuations.

## GOVERNANCE OF RABOBANK GROUP

### Corporate governance

In recent years, the corporate governance of organisations has been of particular public interest. On account of its cooperative organisation, Rabobank's corporate governance is characterised by a robust system of checks and balances. As a result, this governance is in many respects even stricter than in listed enterprises. The members of the independent, cooperative local Rabobanks exercise influence at a local level. As members of Rabobank Nederland, the local Rabobanks in turn play a very important part in the policy-making within Rabobank's organisation. For example, a distinguishing feature in Rabobank Group's governance is the Central Delegates Assembly, Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in virtually all Rabobank Nederland's strategic decisions.

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

### Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and equity. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy with the associated risk profile, its results, the social aspects of its business and their relevance to the enterprise, 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 and the General Meeting (*algemene vergadering*) of Rabobank Nederland. The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Committee on Confidential Matters 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.

### 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 thereof, the Supervisory Board monitors the compliance with the law, the Articles of Association and other relevant rules and regulations. In practice, this means that the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

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

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 of Rabobank Nederland on the recommendation of the Supervisory Board. However, the Executive Board, Rabobank Nederland's Works Council and the General Meeting of Rabobank Nederland are each entitled to nominate individuals for consideration by the Supervisory Board. The independence of the individual members, among other factors, is an important consideration for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank Nederland and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the Supervisory Board is drawn up in consultation with the Committee on Confidential Matters of the Central Delegates Assembly and is adopted by the General Meeting of Rabobank Nederland. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment.

The Committee on Confidential Matters of the Central Delegates Assembly determines the remuneration of the Supervisory Board members. The Supervisory Board, headed by its Chairman, continually assesses its own performance, both as a collective body and in terms of its separate committees and individual members. Initiatives are developed regularly to keep Supervisory Board members abreast of developments or to increase their knowledge in various areas.

## **Member influence**

As a cooperative, Rabobank has members, not ordinary shareholders like companies do. The local cooperative Rabobanks are members of Rabobank Nederland and hence have an important role in the working of Rabobank Nederland's governance. In that context, a key element is the open and transparent culture, with clear accountability for the management and supervision and the assessment thereof. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting of Rabobank Nederland.

## **Central Delegates Assembly**

The local Rabobanks are geographically divided into 12 local committees, each of which has its own board of directors. The local committees jointly form the Central Delegates Assembly, which meets four times a year. The members of the Central Delegates Assembly have largely been appointed – via local committees – by clients/members as their representative at the local and collective level. Ahead of every Central Delegates Assembly, the local committees discuss the matters placed on the agenda. In addition, the local committees themselves can submit items for their own meeting. The local committees and Central Delegates Assembly have a significant influence on the views adopted in the Rabobank organisation, as they are involved, for instance, in policy preparation, policy-making and policy implementation.

The Central Delegates Assembly also considers other matters beside the proposed policy, and is, for instance, authorised:

- to set rules to be complied with by all local Rabobanks;
- to determine the Strategic Framework, though which it determines the Group's strategic direction; and
- to approve the budget for the activities of Rabobank Nederland for the local Rabobanks.

The Central Delegates Assembly will issue advice in advance on specific matters where decision-making is reserved by the articles of association to the General Meeting of Rabobank Nederland. It advises either the local Rabobanks, the Executive Board or the General Meeting of Rabobank Nederland.

The Central Delegates Assembly is a forum in which matters are discussed in great depth. This includes not only matters arising from the specific roles and responsibilities of the Central Delegates Assembly, as the Central Delegates Assembly also acts as a sounding board. The discussions in the Central Delegates Assembly are also guided by the shared aim of consensus between the local Rabobanks and Rabobank Nederland.

The Executive Board of Rabobank Nederland informs the Central Delegates Assembly of the policies pursued and discusses them with it. To enable it to operate responsively, the Central Delegates Assembly has appointed committees with specific responsibilities from among its members.

## **General Meeting of Rabobank Nederland**

The General Meeting (*algemene vergadering*) of Rabobank Nederland is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting of Rabobank Nederland 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 Central Delegates Assembly issues advice prior to the General Meeting of Rabobank Nederland on all the items on the agenda. This procedure ensures that, prior to the General Meeting of Rabobank Nederland, these subjects have been discussed in detail on a local, regional and central level. Because of the special relationship between Rabobank Nederland and its members, the General Meeting of Rabobank Nederland enjoys almost full attendance.

## **Local Rabobanks**

Each local Rabobank has a joint Board of Directors comprised of banking professionals that form the bank's consultative management. This Board of Directors is appointed by the local Supervisory Board with the approval of Rabobank Nederland.

The Board of Directors operates under the supervision of the local Supervisory Board. The Board of Directors is composed in a balanced and complementary manner in order to ensure the management's effectiveness. One of the Board of Directors' key tasks is to ensure and safeguard member involvement and member influence.

## **Supervisory Board**

The members of the local Supervisory Board are nominated by the local Supervisory Board and appointed by the members council. One of the main responsibilities of the local Supervisory Board is to conduct supervision across the full breadth of the cooperative Rabobank.

This encompasses the policy of the Board of Directors and the general course of affairs relating to the cooperative and its operations. The local Supervisory Board is authorised to rule on the general

policy and to provide the Board of Directors with solicited and unsolicited advice. Major decisions made by the Board of Directors require the approval of the local Supervisory Board. It furthermore oversees compliance with the applicable legislation and regulations. Appointing, appraising, suspending and dismissing members of the Board of Directors are also the responsibility of the local Supervisory Board.

The local Supervisory Board and the Board of Directors of the local Rabobank jointly represent the local Rabobank in the committee meetings as a member of Rabobank Nederland.

Accountability for the supervision conducted by the local Supervisory Board is rendered in a meeting of the members council and through a report included in the annual report.

### **Members council**

Each local Rabobank has a members council in order to ensure that member control and influence are strongly and structurally embedded. A members council is a delegation from the total group of members who are chosen by and from the members and it therefore comprises a cross-section of the local community. A members council consists of 30 to 50 members. The Statutory Board engages the members council to assess its policy in order to make its services as suitable as possible. The members council influences and monitors the course of the local Rabobank and forms the link to the Bank's broad member basis. It performs an influential, sounding board, advisory and control role and serves as the link between the broad member basis on the one hand and the Bank on the other.

The members council's activities include adopting the financial statements and appointing the members of the local Supervisory Board.

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

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

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

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

## Members of Supervisory Board and Executive Board

### Supervisory Board of Rabobank Nederland

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

| Name                                     | Born | Year Appointed <sup>(1)</sup> | Term Expires | Nationality |
|--|------|-------------------------------|--------------|-------------|
| Lense (L.) Koopmans, Chairman            | 1943 | 2002                          | 2013         | Dutch       |
| Antoon (A.J.A.M.) Vermeer, Vice Chairman | 1949 | 2002                          | 2014         | Dutch       |
| Irene (I.P.) Asscher-Vonk                | 1944 | 2009                          | 2013         | Dutch       |
| Tom (A.) de Bruijn                       | 1953 | 2009                          | 2013         | Dutch       |
| Leo (L.N.) Degle                         | 1948 | 2012                          | 2016         | Dutch       |
| Wout (W.) Dekker                         | 1956 | 2010                          | 2016         | Dutch       |
| Louise (L.O.) Fresco                     | 1952 | 2006                          | 2014         | Dutch       |
| Leo (S.L.J.) Graafsma                    | 1949 | 2010                          | 2014         | Dutch       |
| Erik (E.A.J.) van de Merwe               | 1950 | 2010                          | 2015         | Dutch       |
| Marinus (M.) Minderhoud                  | 1946 | 2002                          | 2014         | Dutch       |
| Martin (M.J.M.) Tielen                   | 1942 | 2002                          | 2013         | Dutch       |
| Cees (C.P.) Veerman                      | 1949 | 2007                          | 2015         | 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.

### Mr. L. Koopmans (Lense)

|                            |   |
|----------------------------|---|
| <i>Date of birth</i>       | 17 June 1943  |
| <i>Profession</i>          | <ul style="list-style-type: none"> <li>– Professional supervisory director</li> <li>– Former Professor at the Erasmus University of Rotterdam</li> <li>– Emeritus Professor at the University of Groningen</li> </ul>   |
| <i>Main positions</i>      | <ul style="list-style-type: none"> <li>– Chairman of the Supervisory Board of Rabobank Nederland</li> <li>– Chairman of the Board of Directors of Stichting TBI</li> </ul>  |
| <i>Nationality</i>         | Dutch   |
| <i>Auxiliary positions</i> | <p><u>Supervisory Directorships:</u></p> <ul style="list-style-type: none"> <li>– Chairman of the Supervisory Board of Siers Groep B.V.</li> <li>– Chairman of the Supervisory Board of Arriva Nederland B.V.</li> <li>– Chairman of the Supervisory Board of TSS B.V.</li> </ul> |

Other auxiliary positions:

- Member of the Board of Directors of Unilever Trust Office
- Vice-Chairman of the Board of Supervision of the University Medical Center Groningen
- Chairman of the Board of Supervision of the Fries Museum and Princessehof

*Date of first appointment to the Supervisory Board* June 2002 (Member of the Board of Directors from June 1996 until June 2002)

*Current term of appointment to the Supervisory Board* June 2009 - June 2013

**Mr. A.J.A.M. Vermeer (Antoon)**

*Date of birth* 21 October 1949

*Profession* Professional director/supervisory director

*Main positions* Member of a dairy farming partnership (*maatschap melkveehouderijbedrijf*)

*Nationality* Dutch

Supervisory Directorships:

- Vice-Chairman of the Supervisory Board of Rabobank Nederland
- Member of the Supervisory Board of Eureko B.V.

Other additional positions:

- Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University
- Chairman Board of Supervision of HAS Den Bosch

*Date of first appointment to the Supervisory Board* June 2002

*Current term of appointment to the Supervisory Board* June 2010 - June 2014

**Mrs. I.P. Asscher-Vonk (Irene)**

*Date of birth* 5 September 1944

*Profession* Professional supervisory director

*Main position* Emeritus professor at the Radboud University, Nijmegen

*Nationality* Dutch

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Member of the Supervisory Board of KLM
- Member of the Supervisory Board of Arriva Nederland
- Member of the Supervisory Board of Philip Morris

Holland

Other auxiliary positions:

- Chairman of the Episcopal Court (*Bisschoppelijk Scheidsgerecht*)
- Chairman National Arbitration Board for Schools (*Landelijke Geschillencommissie Scholen*)

*Date of first appointment to the Supervisory Board* June 2009

*Current term of appointment to the Supervisory Board* June 2009 - June 2013

**Mr. A. de Bruijn (Tom)**

*Date of birth* 9 July 1953

*Profession* – Entrepreneur

*Main position* Grower of cut flowers and potted plants

*Nationality* Dutch

Auxiliary positions Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland

Other auxiliary positions:

- Acting member of the Board of Directors of Vereniging Achmea
- Chairman platform BioBased Economy
- Member of the Board of the Dutch Foundation for Innovation in Greenhouse Farming (*Stichting Innovatie Glastuinbouw Nederland*)
- Chairman of the Cooperative Growers Society FresQ (*Coöperatieve Telersvereniging*)
- Member of the Board of the Dutch Produce Association (Branch association of market organisations in vegetables, fruit and fungi in the Nederlands)

*Date of first appointment to the Supervisory Board* June 2009

*Current term of appointment to the Supervisory Board* June 2009 - June 2013

**Mr. L.N. Degle (Leo)**

*Date of birth* 15 August 1948

*Profession* None

*Main position* None

*Nationality* German

|   |  |
|---|--|
| <i>Auxiliary positions</i>                                  | <u>Supervisory Directorships:</u>  |
|   | <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Member Supervisory Board of Berlage B.V.</li> <li>– Member of the Supervisory Board of Ten Kate B.V.</li> </ul>      |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2012  |
| <i>Current term of appointment to the Supervisory Board</i> | June 2012 - June 2016  |
| <b>Mr. W. Dekker (Wout)</b>                                 |  |
| <i>Date of birth</i>  | 10 November 1956   |
| <i>Former profession</i>                                    | <ul style="list-style-type: none"> <li>– Professional director</li> </ul>  |
| <i>Main position</i>  | None   |
| <i>Nationality</i>  | Dutch  |
| <i>Auxiliary positions</i>                                  | <u>Supervisory Directorships:</u>  |
|   | <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Member Supervisory Board Macintosh Retail Group N.V.</li> <li>– Member Supervisory Board of Randstad N.V.</li> </ul> |
|   | <u>Other auxiliary positions:</u>  |
|   | <ul style="list-style-type: none"> <li>– Member Taskforce Biodiversity &amp; Natural Resources</li> <li>– Member Advisory Council for Issuers NYSE Euronext Amsterdam</li> </ul>   |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2010  |
| <i>Current term of appointment to the Supervisory Board</i> | June 2012 - June 2016  |
| <b>Mrs. L.O. Fresco (Louise)</b>                            |  |
| <i>Date of birth</i>  | 11 February 1952   |
| <i>Profession</i>   | <ul style="list-style-type: none"> <li>– Professional director</li> <li>– Professor</li> </ul>   |
| <i>Main positions</i>                                       | – University Professor, University of Amsterdam  |
| <i>Nationality</i>  | Dutch  |
| <i>Auxiliary positions</i>                                  | <u>Supervisory Directorships:</u>  |
|   | <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Non-executive Director, Unilever N.V./Unilever PLC</li> </ul>  |
|   | <u>Other auxiliary positions:</u>  |
|   | <ul style="list-style-type: none"> <li>– Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER)</li> </ul>   |

- Distinguished Professor at Wageningen University
- Member of the Recommendation Committee for the University Asylum Fund
- Vice-chairman of the Board of Supervision of the United Nations University in Tokyo
- Member Royal Holland Society of Sciences and Humanities
- Member Royal Netherlands Academy of Arts and Sciences
- Member of the Spanish Academy of Engineering Sciences and the Swedish Academy of Agricultural and Forestry Sciences
- Member of the Advisory Board of World Food Prize (*Wereldvoedselprijs*)
- Member of the Board of Praemium Erasmianum Foundation (*Erasmusprijs*)
- Member of the Board of the Royal Concertgebouw Orchestra (*Concertgebouwkest*)
- Member of the former Delta Committee
- Member of the Trilateral Commission of France, Japan and U.S.
- Columnist NRC Handelsblad, NRC Next and NRC International
- Extraordinary member of the Dutch Safety Board
- Advisor Office Chérifien des Phosphates (Groupe OCP) Morocco
- Member Strategic Advisory Board of the Director General Food and Agriculture Organization (FAO), UN-Rome

*Date of first appointment to the Supervisory Board* June 2006

*Current term of appointment to the Supervisory Board* June 2010 - June 2014

**Mr. S.L.J. Graafsma RA (Leo)**

*Date of birth* 29 March 1949

*Former profession* – Accountant/associate of an audit, tax and advisory firm

*Nationality* Dutch

*Auxiliary positions*

- Member of the Supervisory Board of Rabobank Nederland
- Deputy member of the “Accountantskamer” (disciplinary court for accountants) resulting from the “Wet Tuchtrechtspraak Accountants” (Act on disciplinary actions against accountants)

|   |   |
|---|---|
| <i>Date of first appointment to the Supervisory Board</i>   | September 2010  |
| <i>Current term of appointment to the Supervisory Board</i>   | September 2010 - June 2014                                |
| <b>Mr. E.A.J. van de Merwe (Erik)</b>   |   |
| <i>Date of birth</i>  | 30 December 1950  |
| <i>Profession</i>   | – Advisor   |
| <i>Nationality</i>  | – Professional director/professional supervisory director |
| <i>Auxiliary positions</i>  | Dutch   |
| <u>Supervisory Directorships:</u>   |   |
| – Member of the Supervisory Board of Rabobank Nederland   |   |
| – Member of the Audit, Compliance & Risk Committee of Rabobank Nederland  |   |
| – Chairman of the Supervisory Board (and audit committee) of Staalbankiers N.V.   |   |
| – Chairman of the Supervisory Board (and audit committee) of Achmea Bank Holding N.V.   |   |
| – Member of the Supervisory Board (and audit committee) of Achmea B.V.  |   |
| <u>Other auxiliary positions:</u>   |   |
| – Non-executive Chairman of GWK Travelex N.V.   |   |
| – Member of the Board of Governors of the postgraduate study Corporate Compliance, VU University Amsterdam                            |   |
| – Member Board of Supervision and Chairman audit committee of the Dutch Burns Foundation ( <i>Nederlandse Brandwonden Stichting</i> ) |   |
| – Member Advisory Council Euro Tissue Bank  |   |
| – Member Advisory Council Dutch Institute of Internal Auditors (IIA)  |   |
| – Member Arbitration committee Dutch Securities Institute (DSI)   |   |
| – Jurymember Sijthoff Award   |   |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2010   |
| <i>Current term of appointment to the Supervisory Board</i>   | June 2012 -June 2015                                      |
| <b>Mr. M. Minderhoud (Marinus)</b>  |   |
| <i>Date of birth</i>  | 13 September 1946   |
| <i>Profession</i>   | None  |
| <i>Main position</i>  | None  |

|   |  |
|---|--|
| <i>Nationality</i>  | Dutch  |
| <i>Auxiliary positions</i>                                  | <p><u>Supervisory Directorships:</u></p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Member of the Supervisory Board of De Friesland Zorgverzekeraar</li> <li>– Vice-Chairman of the Supervisory Board of Eureko B.V.</li> <li>– Chairman Vodafone International Holdings B.V.</li> <li>– Chairman of Vodafone Europe B.V.</li> </ul>  |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2002  |
| <i>Current term of appointment to the Supervisory Board</i> | June 2011 — June 2014  |
| <b>Mr. M.J.M. Tielen (Martin)</b>                           |  |
| <i>Date of birth</i>  | 22 September 1942  |
| <i>Profession</i>   | Professor  |
| <i>Main position</i>  | Emeritus Professor at Utrecht University   |
| <i>Nationality</i>  | Dutch  |
| <i>Auxiliary positions</i>                                  | <p><u>Supervisory Directorships:</u></p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> </ul> <p><u>Other auxiliary positions:</u></p> <ul style="list-style-type: none"> <li>– Chairman of the Stichting Stimulering Agrarisch Onderwijs en Praktijk</li> <li>– Chairman of the Stichting Professor Tielen Fonds</li> <li>– Acting member of the Board of Directors of Vereniging Achmea</li> <li>– Professor Honoris Causa University of Environmental and Life Science in Wroclaw, Poland</li> </ul> |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2002  |
| <i>Current term of appointment to the Supervisory Board</i> | June 2009 - June 2013  |
| <b>Mr. C.P. Veerman (Cees)</b>                              |  |
| <i>Date of birth</i>  | 8 March 1949   |
| <i>Profession</i>   | <ul style="list-style-type: none"> <li>– Professor</li> <li>– Professional director/supervisory director</li> </ul>  |
| <i>Main positions</i>                                       | <ul style="list-style-type: none"> <li>– CEO of Bracamonte B.V. in Groesbeek</li> <li>– Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective</li> </ul>  |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>– Crop farmer</li> </ul>  |
| <i>Nationality</i>  | Dutch  |
| <i>Auxiliary positions</i>                                  | <p><u>Supervisory Directorships:</u></p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Member of the Supervisory Board of USG People</li> <li>– Chairman of the Supervisory Board of Koninklijke Reesink N.V.</li> <li>– Member of the Supervisory Board of Barenbrug B.V.</li> <li>– Member of the Supervisory Board of Ikazia Hospital Rotterdam</li> <li>– Member of the Supervisory Board of Prominent</li> <li>– Member of the Supervisory Board of KDS</li> <li>– Chairman of the Board of Supervision Deltares</li> <li>– Chairman of the Supervisory Board of the Dutch Postcode Loterij</li> <li>– Chairman of the Board of directors of VU University Mecial Centre Amsterdam</li> </ul> |
|   | <p><u>Other auxiliary positions:</u></p> <ul style="list-style-type: none"> <li>– Member of the Governing Board of the Netherlands Organisation for Scientific Research (NWO)</li> </ul>   |
| <i>Date of first appointment to the Supervisory Board</i>   | June 2007  |
| <i>Current term of appointment to the Supervisory Board</i> | June 2011 - June 2015  |

### **Executive Board of Rabobank Nederland<sup>3</sup>**

| Name                           |      | Year      |                     |
|--------------------------------|------|-----------|---------------------|
|                                | Born | Appointed | Nationality         |
| Piet (P.W.) Moerland, Chairman | 1949 | 2009      | Dutch               |
| Bert (A.) Bruggink, CFO        | 1963 | 2004      | Dutch               |
| Berry (B.J.) Marttin           | 1965 | 2009      | Dutch and Brazilian |
| Sipko (S.N.) Schat             | 1960 | 2006      | Dutch               |
| Hans (J.A.M.) van der Linden   | 1951 | 2012      | Dutch               |

*Piet (P.W.) Moerland:* Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of 1 January 2003 and was appointed Chairman of the Executive Board of Rabobank Nederland as of 1

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<sup>3</sup> Piet van Schijndel was a member of the Executive Board until he retired on 30 November 2012. Also Gerlinde Silvis was a member of the Executive Board until she stood down with effect from 25 January 2013.

July 2009. Mr. Moerland is responsible for Audit Rabobank Group and the Supervisory and Legal and Fiscal Affairs directorates. His portfolio furthermore includes the Knowledge & Economic Research, Corporate Social Responsibility (CSR) and Communications directorates. 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 1998. Mr. Moerland also had a sponsored chair as a professor of corporate governance at the University of Tilburg from 1999 to 2002. Mr. Moerland is a member of the supervisory board of Rabohypoekbank and a member of the shareholders' council of Rabo Development B.V. Outside Rabobank, Mr. Moerland serves as member of the board of Unico Banking Group, member of the board of directors of International Raiffeisen Union (IRU), member of the board of the National Co-operative Council for Agriculture and Horticulture of the Netherlands (NCR) and member of the board of the Dutch Bach Association.

*Bert (A.) Bruggink:* Mr. Bruggink was appointed as Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Asset Management Rabobank. Mr. Bruggink joined 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 is a member of the supervisory boards of Rabohypoekbank, IPB Holding B.V., Rabo Herverzekeringsmaatschappij N.V., Robeco, the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), Friesland Bank and Blanco Pro Cycling Team B.V. Mr. Bruggink is chairman of the board of the Stichting Rabobank Pensioen Fonds. Furthermore, he is a member of the Supervisory Board of ROVA, member of the supervisory board of Windesheim University of Applied Sciences and professor at Twente University.

*Hans (J.A.M.) van der Linden:* Mr. van der Linden was appointed to Rabobank Nederland's Executive Board as of 1 December 2012. Mr. van der Linden joined Rabobank Nederland in 1975. During a period of 20 years, he fulfilled various managerial positions within the segment of the bank that focuses on entrepreneurs and businesses. In the years preceding his appointment as member of the Executive Board of Rabobank Nederland, he successively served as Director of Risk Management Local Member Banks, Director of Audit Rabobank Group and Chairman of the Executive Board of Rabo Real Estate Group. Mr. van der Linden is chairman of the supervisory boards of De Lage Landen and Rabohypoekbank. Mr. van der Linden is a member of the board of directors of the NVB (Association of Dutch Banks). Furthermore, he is a member of the board of governors of the Department of Accountancy at Tilburg University and he is chairman of REVAK Nuenen (swimming association for handicapped people).

*Berry (B.J.) Marttin:* Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mr. Marttin joined Rabobank in 1990. Within the Executive Board, Mr. Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than 14 years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale banking and retail banking. After fulfilling a number of positions in Brazil, Mr. Marttin was appointed senior marketing officer in Curacao. In 1997 he continued his career as Head of International Corporates in Hong Kong. Mr. Marttin subsequently moved to Indonesia four years later to take up an appointment as Head of Risk Management. Thereafter, Mr. Marttin served as Deputy General Manager of Rural Banking in Australia and New Zealand. Prior to his appointment to Rabobank Nederland's Executive Board, he was Chairman of the board of directors of

Rabobank Amsterdam. Mr. Marttin serves as chairman of the Foundation Supervision Internal Market Rabo Extra Member Notes (Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties) and member of the supervisory boards of Rabohypotheekbank and De Lage Landen. Mr. Marttin is a member of the board of directors of Rabobank International Holding, a member of the board of RI Investments Holding B.V. and chairman of the shareholders' council of Rabo Development B.V. Mr. Marttin is a member of the Steering Committee Unico Banking Group, vice chairman of the board of directors of the American Chambers of Commerce in the Netherlands, member of the Dutch Trade Board, member of the Amsterdam Climate Council, member of the supervisory boards of Wageningen University and the Sustainable Trade Initiative (*Initiatief Duurzame Handel*), chairman of the advisory board of Amsterdam University College and member of the advisory board of JINC.

*Sipko (S.N.) Schat:* Mr. Schat was appointed to Rabobank Nederland's Executive Board as of 1 July 2006. Mr. Schat is responsible for Rabobank International's Wholesale Clients division, leading the Wholesale management team. Areas of responsibility are Wholesale Clients Netherlands, Wholesale Clients International, Professional Products 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. As of April 2002, Mr. Schat has been 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 boards of Rabo Vastgoedgroep, Rabohypotheekbank, Bank Sarasin & Cie AG and Paris Orléans SCA. Mr. Schat is a member of the board of directors of Rabobank International Holding and a member of the board of RI Investments Holding B.V. Mr. Schat also holds some external positions on behalf of the Rabobank Group: member of the Advisory Committee of Issuing Institutions (Euronext), member of the board of the Confederation of Netherlands Industry and Employers VNO-NCW, member of the Steering Committee of Unico Banking Group and member of the Advisory Council Executive Master Business Valuation at the University of Groningen.

### **Administrative, management and supervisory bodies — conflicts of interests**

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

### **Administrative, management and supervisory bodies — business address**

The business address of the members of Rabobank's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

## REGULATION OF RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 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* or the “**AFM**”) 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**”) legislation, which has a significant impact on the regulation of Rabobank Group’s banking, asset management and broker-dealer businesses in the EU, and the regulation and supervision of local supervisory authorities of the various countries in which 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 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “**Basel guidelines**”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce 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 investment firms in the EU, and on 1 January 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. 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 Basel II 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”. 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”. Rabobank Group has chosen the Advanced Measurement Approach.

In the future, under Basel III, capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector”. The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010, the Basel Committee issued its final view on Basel III though it has subsequently suggested several amendments and refinements to Basel III, particularly with respect to its liquidity requirements, capital requirements for exposures to central counterparties, and other areas. The Basel Committee has indicated that it continues to consider potential revisions to the Basel III regime.

The framework sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee’s package of reforms includes increasing the minimum common equity (or equivalent) requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments which will be gradually phased in from 1 January 2014 until 1 January 2018). The total Tier 1 capital requirement will increase from 4 per cent. to 6 per cent. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total common equity (or equivalent) requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical buffer of up to 2.5 per cent. of common equity (or other fully loss-absorbing capital) may be applied as an extension of the conservation buffer. Furthermore, banks considered to have systemic importance should have loss-absorbing capacity beyond these standards. The capital requirements are to be supplemented by a leverage ratio, and a liquidity coverage ratio and a net stable funding ratio will also be introduced. The proposed reforms are expected to be implemented in the EU through amendments to the Capital Requirements Directive (as defined below) during 2013, although certain requirements are subject to a series of transitional arrangements and will be phased in over a period of time.

The Basel Committee’s reforms have introduced two international minimum standards for liquidity risk supervision with the aim of ensuring banks have an adequate liquidity buffer to absorb liquidity shocks. The first one is the liquidity coverage ratio (“**LCR**”; to be introduced on 1 January 2015), which is a test to promote short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. In January 2013, the Basel Committee announced revisions to the LCR that may make compliance less costly for banks. The second one is a net stable funding ratio (“**NSFR**”; to be introduced on 1 January 2018), which is a test to promote resilience over a longer period by creating additional incentives for banks to fund their activities

with more stable funding on an ongoing basis. The NSFR test is similar to the LCR except the period over which it is tested is one year.

In January 2013, the Basel Committee published a revision of the LCR standard. There can be no assurance that the Basel Committee will not further amend the package of reforms described above. Further, the European Union, the Dutch Central Bank and/or Dutch legislation may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

## European Union standards

The European Union had adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of 17 April 1989 on the “own funds” of credit institutions (the “**Own Funds Directive**”), defining qualifying capital (“**own funds**”), and the Council Directive of 18 December 1989 on a solvency ratio for credit institutions (the “**Solvency 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 Solvency 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 15 March 1993 on the capital adequacy of investment firms and credit institutions (“**EEC Directive 1993/6**”) and in 2000 the Directive of 20 March 2000 on the taking up and pursuit of the Business of Credit Institutions (“**EC Directive 2000/12**”), which directive consolidated various previous directives, including the Capital Directives.

EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49 (the “**Capital Requirements Directive**”), respectively, to introduce the capital requirements framework agreed by the Basel Committee. The 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 16 December 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 Dutch Financial Supervision Act that came into effect on 1 January 2007.

The Capital Requirements Directive has been amended three times in 2009 and once in 2010 to repair shortcomings identified in the original Capital Requirements Directive. The amendments entered into force as of 31 December 2010 and certain further amendments as of 31 December 2011. Further amendments to the Capital Requirements Directive (known as 'CRDIV') are expected to take place from 1 January 2014 onwards, which will include amendments to implement Basel III.

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board ("ESRB") and the following three European Authorities: European Banking Authority ("EBA"), European Insurance and Occupational Pensions Authority ("EIOPA") and European Securities and Markets Authorities ("ESMA"). These institutions have been in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

The European Commission has also proposed a draft Crisis Management Directive – see the risk factor entitled "*Statutory loss absorption*". The Crisis Management Directive addresses different issues, such as prevention tools and early intervention and final resolution mechanisms. Rabobank Group generally supports the Basel Committee and European Commission reform programmes to strengthen the global capital and liquidity regulations and reduce market volatility. Notwithstanding, a number of proposals may hamper traditional retail-oriented institutions in their intermediary function, and thus reduce their ability to play their important role in the European economy. Further, the new rules still allow national regulators a measure of autonomy. For instance, the liquidity requirements assign relatively extensive powers to national regulators, which may affect the level playing field in the European Internal Market. Hence, the biggest challenge for policy makers and supervisors is to take a coordinated and unified approach by means of the Banking Union proposals. It is essential that supervisors and regulators across the globe adopt a more consistent and coordinated approach (for example, while Europe is already introducing Basel III, Basel II is not yet fully applied in the U.S.).

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's operating results, financial condition and prospects.

## **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 AFM.

Pursuant to authority granted under the Dutch Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of Rabobank Group's activities. The AFM supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Dutch Financial Supervision Act.

### **Scope of the Dutch 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 Dutch 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 own funds (*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" (*gezonnde 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 statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the 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 auditor audits these reports annually.

Under the Dutch Financial Supervision Act, Rabobank Nederland is required to make its annual financial statements and its semi-annual financial statements generally available to the public within four months and two months, respectively, of the end of a period to which the financial information relates. The annual and semi-annual financial statements must be filed with the AFM simultaneously with their publication.

## **Supervision**

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

### **Solvency supervision**

The regulations of the Dutch Central Bank on solvency supervision require - in broad terms - that a bank maintains own funds in an amount equal to at least 8 per cent. of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Dutch 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 current 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 Dutch Financial Supervision Act provides that a bank must obtain a declaration of no objection 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 bank, investment firm or insurer with its statutory seat in a state which is not part of the European Economic Area, if the balance sheet total of that bank, investment firm or insurer at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (iii) acquiring or increasing a qualified holding in an enterprise, not being a bank, investment firm or insurer with its statutory seat in the Netherlands or in a state which is part of the European Economic Area or in a state which is not part of the European Economic Area, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iv) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total or (vi) proceeding with a financial or corporate reorganisation. For the purposes of the Dutch Financial Supervision Act, "**qualified holding**" is defined to mean the holding, directly or indirectly, of an interest of at least 10 per cent. 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 Dutch bank, or to exercise any voting power in connection with such holding, only after such person has obtained a declaration of no objection from the Dutch Central Bank.

### ***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 Dutch 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 bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

### ***U.S. regulation***

#### ***Dodd-Frank***

The Dodd-Frank Act provides a broad framework for significant regulatory changes, the full effect of which can only be assessed when final rules are implemented. Among other things, the Dodd-Frank Act provides for new or enhanced regulations regarding: (i) systemic risk oversight, (ii) bank capital

standards, (iii) the liquidation of failing systemically significant financial institutions, (iv) OTC derivatives, (v) the ability of banking entities to engage in proprietary trading activities and invest in hedge funds and private equity (the so-called “Volcker rule”) and (vi) consumer and investor protection. Implementation of the Dodd-Frank Act is ongoing and will require further detailed rulemaking over several years by different U.S. regulators, including the Department of the Treasury, the Federal Reserve, the SEC, the FDIC, the OCC, the CFTC and the newly created FSOC, and uncertainty remains about the final details, timing and impact of many of the rules, including those which are expected to have the most significant impact on the US operations of non-US banks.

## CAPITALISATION OF RABOBANK GROUP

The following table sets forth in summary form Rabobank Group's consolidated own funds and consolidated long-term and short-term debt securities at 31 December 2012 and at 31 December 2011:

|  | <b>At 31 December</b> |                |
|--|-----------------------|----------------|
| <i>(in millions of euro)</i>                                 | <b>2012</b>           | <b>2011</b>    |
| <b>Capitalisation of Rabobank Group</b>                      |                       |                |
| Equity of Rabobank Nederland and local Rabobanks             | 27,858                | 26,500         |
| <i>Equity instruments issued directly</i>                    |                       |                |
| Rabobank Member Certificates                                 | 6,672                 | 6,614          |
| Capital Securities   | 7,114                 | 7,645          |
|  | <b>41,644</b>         | <b>40,759</b>  |
| <i>Equity instruments issued by subsidiaries</i>             |                       |                |
| Capital Securities   | 236                   | 167            |
| Trust Preferred Securities III to VI                         | 1,340                 | 1,399          |
|  | <b>1,576</b>          | <b>1,566</b>   |
| Other non-controlling interests                              | 1,407                 | 2,676          |
| <b>Total equity</b>  | <b>44,627</b>         | <b>45,001</b>  |
| Subordinated debt  | 5,407                 | 2,413          |
| Long-term debt securities in issue                           | 161,860               | 143,134        |
| Short-term debt securities in issue                          | 61,476                | 70,307         |
| <b>Total capitalisation</b>                                  | <b>273,370</b>        | <b>260,855</b> |
| <b>Breakdown of reserves and retained earnings</b>           |                       |                |
| Revaluation reserves for available-for-sale financial assets | 420                   | 93             |
| Other reserves   | (73)                  | 40             |
| Retained earnings  | 27,511                | 26,367         |
| <b>Total reserves and retained earnings</b>                  | <b>27,858</b>         | <b>26,500</b>  |

There has been no material change in the capitalisation of Rabobank Group since 31 December 2012.

## **RABOBANK AUSTRALIA BRANCH**

ABN 70 003 917 655

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

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

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

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

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

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

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

## **RABOBANK SINGAPORE BRANCH**

Rabobank Singapore Branch is the Singapore Branch of Rabobank Nederland.

Rabobank Nederland entered the Singaporean market in 1986 through the establishment of Rabobank Singapore Branch (which was then licensed to operate as an Offshore Bank in Singapore by the Monetary Authority of Singapore). Rabobank Singapore Branch is registered as a foreign company with the Accounting and Corporate Regulatory Authority in Singapore and currently bears the registration number S86FC3634A.

Rabobank Singapore Branch is currently licensed as a Wholesale Bank by the Monetary Authority of Singapore to carry out a wide range of approved banking business.

Rabobank Singapore Branch prepares and files with the Accounting and Corporate Regulatory Authority in Singapore annual statutory accounts that reflect its operations in Singapore only. Rabobank Singapore Branch does not publish interim accounts. Because it is a branch of Rabobank Nederland, its financial results are incorporated in the financial statements of Rabobank Nederland.

Rabobank Singapore Branch is not a separately incorporated legal entity and its capital is not represented by shares.

## TAXATION

### EU Savings Directive

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

A number of other countries and territories including Switzerland have adopted similar measures to the Savings Directive.

### Taxation in the Netherlands

The following is intended as general information only and it does not purport to present a comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Notes. Prospective holders of a Note ("Noteholder") should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof; it does not take into account any amendments introduced at a later date and implemented with or without retroactive effect.

With the exception of the section on withholding tax below, this summary does not address the Dutch Tax consequences of a Noteholder:

- (i) which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten; or
- (ii) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

For the purpose of this paragraph, "**the Netherlands**" shall mean the part of the Kingdom of the Netherlands in Europe and "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities.

#### **Withholding tax**

All payments in respect of the Notes can be made by the Issuer without withholding or deduction for or on account of any Dutch Taxes.

#### **Taxes on income and capital gains**

##### **(a) Residents of the Netherlands**

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident in the Netherlands;
- (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 Notes (i) that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, or (ii) from which he derives benefits which are not taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), must record the Notes as assets for purposes of the regime for income from savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4 per cent. of the net fair market value of these assets and liabilities measured, in general, at the beginning of every calendar year, insofar the net fair market value of these assets and liabilities exceeds a certain threshold. The current tax rate under the regime for savings and investments is a flat rate of 30 per cent.

*Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Dutch Individuals are generally subject to income tax at progressive rates with a maximum of 52 per cent. with respect to any benefits derived or deemed to be derived from Notes (including any capital gains realised on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of normal, active portfolio management (*normaal, actief vermogensbeheer*).

*Dutch Corporate Entities*

Dutch Corporate Entities are generally subject to corporate tax at statutory rates up to 25 per cent. with respect to any benefits derived or deemed to be derived (including any capital gains realised on the disposal thereof) from Notes.

*(b) Non-residents of the Netherlands*

A Noteholder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch Taxes on income or capital gains in respect of the ownership and disposal of the Notes, except if:

- the Noteholder derives profits from an enterprise, in case of an individual Noteholder as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes are attributable; or
- the Noteholder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) as defined in the Personal Income Tax Act 2001 performed in the Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of normal, active portfolio management (*normaal, actief vermogensbeheer*); or

- the Noteholder is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities, to which the Notes are attributable.

#### ***Gift tax or inheritance tax***

No gift or inheritance taxes will arise in the Netherlands in respect of the transfer or deemed transfer of the Notes by way of a gift by, or on the death of, a Noteholder who is not a resident or deemed resident of the Netherlands for the purpose of the relevant provisions, provided that:

- (i) the transfer is not construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; and
- (ii) in the case of a gift of Notes by an individual holder who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual holder does not die within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands.

Where a gift of Notes only takes place if certain conditions are met, no gift tax will arise if the Noteholder is neither (i) a resident or deemed resident of the Netherlands nor (ii) a resident or deemed resident within 180 days after the date on which the conditions are fulfilled.

For purposes of Dutch gift and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

#### ***Other taxes***

No other Dutch Taxes, such as turnover tax, or other similar taxes or duties (including stamp duty and court fees), are due by a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

#### ***Residency***

A Noteholder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

#### ***Taxation in Australia***

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

#### ***Withholding taxes***

Subject to the application of certain exemptions discussed below, interest paid by Rabobank Australia Branch to non-resident Noteholders who do not carry on a business at or through a permanent establishment in Australia will ordinarily be subject to interest withholding tax imposed under Division 11A of Part III of the *Income Tax Assessment Act 1936* of Australia (the "**Tax Act**"), calculated at 10 per

cent. of the gross amount of the interest. Interest withholding tax is a final tax for non-residents. Therefore, these non-resident Noteholders will not be required to lodge an income tax return in Australia merely because they receive interest on the Notes.

Subject to the application of certain exemptions discussed below, interest withholding tax will also apply to interest paid to Australian resident Noteholders who hold Notes in the course of carrying on business at or through a permanent establishment outside Australia. Any interest to which interest withholding tax applies or which is exempted from interest withholding tax (see below) may not be required to be included in such a Noteholder's assessable income in determining their Australian taxable income.

An exemption from Australian interest withholding tax should apply with respect to Notes issued by Rabobank Australia Branch under section 128F of the Tax Act for payments of interest (or amounts in the nature of interest) to non-residents of Australia who do not derive that interest in carrying on business at or through a permanent establishment in Australia, or to Australian residents who derive that interest in carrying on a business at or through a permanent establishment outside Australia, if the requirements of section 128F of the Tax Act are complied with.

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

- (a) an Australian resident company at the time the Notes are issued and when the interest is paid; or
- (b) a company not resident in Australia carrying on business at or through a permanent establishment in Australia at the time the Notes are issued and when the interest is paid,

and the "public offer" test is satisfied. As at the date of this document, Rabobank Australia Branch is, for the purposes of paragraph (b) above, a company not resident in Australia carrying on business at or through a permanent establishment in Australia.

Broadly, and subject to the exception outlined below, the public offer test is satisfied if the Notes are issued as a result of being offered for issue:

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

In relation to the issue of a Global Note, the “public offer” test will be satisfied if the Global Note falls within the definition of “global bond” set out in subsection (10) of section 128F of the Tax Act. Broadly speaking, this will be the case if the following requirements are satisfied:

- (a) the Global Note describes itself as a global bond or a global note; and
- (b) it is issued to a clearing house (as defined in subsection (9) of section 128F of the Tax Act) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and
- (c) in connection with the issue of the Global Note, the clearing house or houses confer rights in relation to the Global Note on other persons and will record the existence of the rights; and
- (d) before the issue of the Global Note, Rabobank Australia Branch or a Dealer, in relation to the placement of the Global Note, on behalf of Rabobank Australia Branch announces that, as a result of the issue, such rights will be able to be created; and
- (e) the announcement is made in a way or ways covered by any of subsections (3)(a) to (e) of section 128F of the Tax Act (reading a reference in those paragraphs to “debentures or debt interests” as if it were a reference to the rights referred to in paragraph (d) above and a reference to the “company” as if it included a reference to the Dealer); and
- (f) under the terms of the Global Note, interests in the Global Note are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by Rabobank Australia Branch that are not themselves Global Notes.

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

- (a) a Note or an interest in a Note was being, or would later be, acquired directly or indirectly by an associate (as defined in subsection (9) of section 128F of the Tax Act) of Rabobank; and
- (b) either:
  - (i) the associate is a non-resident of Australia and the Note, or interest in the Note, was not being, or would not be, acquired by the associate in carrying on a business at or through a permanent establishment in Australia; or
  - (ii) the associate is a resident of Australia and the Note, or interest in the Note, was being, or would be, acquired by the associate in carrying on a business at or through a permanent establishment in a country outside Australia; and
- (c) the Note or interest in the Note was not being, or would not be, acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act 2001 of Australia).

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

- (a) the holder is an associate (as defined in subsection (9) of section 128F of the Tax Act) of Rabobank; and

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

An “associate” of Rabobank Australia Branch for the purposes of section 128F of the Tax Act includes: (i) a person or entity which holds more than 50 per cent. of the voting shares in or otherwise controls Rabobank, (ii) an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, Rabobank, (iii) the trustee of a trust where Rabobank is capable of benefiting (whether directly or indirectly) under a trust, and (iv) a person or entity which is an “associate” of another person or entity which is an “associate” of Rabobank under any of the foregoing.

There are specific rules that can apply to treat a portion of the purchase price of Notes as interest for interest withholding tax purposes if the Notes were originally issued at a discount, have a maturity premium or if they do not pay interest at least annually and they are acquired by an Australian resident Noteholder (not carrying on business through a permanent establishment outside of Australia) or non-resident Noteholder carrying on a business at or through a permanent establishment in Australia. The rules do not apply if the deemed interest would have been exempt under section 128F of the Tax Act if the Notes had been held to maturity by a non-resident.

In certain circumstances, section 126 of the Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest on bearer notes if Rabobank Australia Branch fails to disclose the names and addresses of the holders to the Australian Tax Office. The Australian Tax Office is of the view that the holder of a debenture for the purposes of section 126(e) of the Tax Act is the person or entity in possession of the debenture and that this is the person or entity to whom Rabobank Australia Branch makes the payment of interest. Section 126 does not apply if the interest payable under a bearer note is subject to interest withholding tax under Division 11A of the Tax Act or if the interest is exempt from withholding under section 128F to the extent it applies to non-residents of Australia who are not engaged in carrying on business in Australia at or through a permanent establishment in Australia. Consequently, section 126 should only apply to persons or entities in possession of bearer notes who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in the relevant Notes are held by persons through Euroclear and/or Clearstream, Luxembourg, Rabobank Australia Branch intends to treat the operators of those systems as the holders of the relevant Notes for the purpose of section 126.

If Rabobank Australia Branch is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any authority therein having the power to tax, it will, except as stated in the Notes, pay such additional amounts as will result in the payment to the Noteholders concerned of the sum which would otherwise have been payable on the Notes.

The Taxation Administration Act 1953 of Australia also requires a further type of withholding (Foreign Resident Withholding) which broadly provides that an entity carrying on business in Australia must withhold an amount from certain payments (prescribed by regulation) paid to non-residents, unless an appropriate exemption applies. Foreign Resident Withholding does not apply to payments of interest for the purposes of Division 11A of Part III of the Tax Act. Further, it is not expected that any regulations

will be made that would impact on the repayment of principal under the Notes, since such repayments should not be regarded as reasonably related to assessable income of the foreign resident.

#### **Other taxes**

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

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

shall not be subject to Australian interest withholding tax or Australian income tax;

- (b) a holder of a Note who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment in Australia:
  - (i) will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Note, provided that such gains do not have an Australian source and the Note was not used at any time by the holder in carrying on a business at or through a permanent establishment in Australia. A gain arising on the sale of a Note by a non-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations and documentation are conducted and executed outside Australia would not be regarded as having an Australian source; and
  - (ii) will not be subject to Australian capital gains tax on gains realised during that year on sale or redemption of the Note;
- (c) the Notes should not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia, or by a non-resident, at the time of death;
- (d) provided:
  - (i) any Notes issued in Australia will only be issued by Rabobank Australia Branch which has its central management and control in New South Wales ("NSW");
  - (ii) the register of Notes is kept by Rabobank Australia Branch in NSW;
  - (iii) any Notes are executed in NSW; and
  - (iv) money subscribed for the Notes is not paid into South Australia,

no *ad valorem* stamp duty nor issue registration or similar taxes should be payable in Australia on the issue or transfer of the Notes;

- (e) no Australian goods and services tax should be payable on the issue or transfer of Notes or in respect of the payment of principal or interest on the Notes;
- (f) the tax treatment of the Notes for Australian resident Noteholders and non-resident Noteholders who hold their Notes in the course of carrying on a business through an Australian permanent establishment will depend on whether or not Division 230 of the *Income Tax Assessment Act 1997* of Australia (the "**1997 Act**") applies to the Noteholder.
  - (i) If Division 230 applies, the Division sets out a number of methods that may be available to recognise the quantum and timing of income (including interest) and deductions arising in relation to financial arrangements (which would include the Notes), including accruals, realisation, reliance on financial reports, fair value, foreign exchange retranslation and hedging. It also generally removes the distinction between capital and revenue by characterising gains or losses in respect of financial arrangements as being on revenue account.
  - (ii) If Division 230 does not apply, Noteholders will still ordinarily be required to include any interest derived in respect of the Notes in their assessable income.

Depending upon the terms of the Notes, such Noteholders may also be required to include in their assessable income, or may be allowed a deduction in respect of, any profit or loss (respectively) on sale or redemption of the Notes;

- (g) payment of interest on Notes issued by Rabobank Australia Branch to Australian residents may be subject to withholding tax under Part VA of the Tax Act and section 12-140 of Schedule 1 of the *Taxation Administration Act 1953* of Australia where the recipient of the interest does not quote their tax file number or, in certain circumstances, their Australian Business Number, or proof of some other relevant exemption. Any such tax will be withheld at the then current rate. The rate at the date of this document is 46.5 per cent.;
- (h) payment in respect of the Notes should be able to be made free and clear of Australian withholding tax imposed pursuant to section 12-190 of Schedule 1 of the *Taxation Administration Act 1953* of Australia;
- (i) Division 974 of the 1997 Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes including interest withholding tax. Unless otherwise indicated in the relevant Final Terms, Rabobank Australia Branch intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests provided in Division 974 and the returns on the Notes should be treated as "interest" for the purposes of the interest withholding tax provisions in the Tax Act (including section 128F of that Act). If the relevant Final Terms indicate that particular Notes are not intended to be "debt interests", prospective Noteholders should seek their own advice on the tax treatment of the Notes. A more detailed consideration of the rules set out in Division 974 of the 1997 Act and the thin capitalisation rules set out in Division 820 of the 1997 Act is beyond the scope of this summary.

### **Taxation in Singapore**

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Monetary Authority of Singapore ("MAS") in force at the date of this Base Prospectus and are subject to any changes in such laws, measures or guidelines, or the interpretation of such laws, measures or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or

conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling, or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

### ***Singapore interest and other payments***

Subject to the following paragraphs, under section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

This is expected to apply to payments made by Rabobank Singapore Branch. Further, such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived by individuals through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

### **Withholding tax exemption on qualifying payments by specified entities**

Pursuant to Section 45I of the Income Tax Act, payments of income which are deemed under Section 12(6) of the Income Tax Act to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued within the period from 17 February 2012 to 31 March 2021. Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

### **Qualifying debt securities scheme**

In addition, if the Dealers for more than half of the principal amount of a tranche of Notes which are debt securities issued under the Programme during the period from the date of this Base Prospectus to 31 December 2013 are:

- (a) financial institutions who have been awarded "Financial Sector Incentive (Bond Market) Company" status by the Minister for Finance of Singapore or such person as he may appoint; or
- (b) financial institutions in Singapore where their staff based in Singapore have a leading and substantial role in the distribution of such tranche of Notes,

such tranche of Notes ("Relevant Notes") would be "qualifying debt securities" under the Income Tax Act.

If the Relevant Notes are "qualifying debt securities":

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "Comptroller") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that, where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Relevant Notes by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if such non-resident person acquires the Relevant Notes using funds and profits from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Qualifying Income") from the Relevant Notes derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not funds and profits of that person's operations through a permanent establishment in Singapore are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS), Qualifying Income from the Relevant Notes derived by any

company or a body of persons (as defined in the Income Tax Act) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

- (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and
- (ii) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (i) if, during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the principal amount of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and
- (ii) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the principal amount of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from that tranche of Relevant Notes held by:
  - (A) any related party of the Issuer; or
  - (B) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the Income Tax Act as follows:

- (a) "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

- (b) “**prepayment fee**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- (c) “**redemption premium**”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “**break cost**”, “**prepayment fee**” and “**redemption premium**” in this Singapore tax disclosure have the same meaning as in the Income Tax Act.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under section 45 or 45A of the Income Tax Act, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required under the Income Tax Act to include such income in a return of income made under the Income Tax Act.

The Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be reopened with a resulting tenure of less than 10 years to the original maturity date.

However, even though a particular tranche of Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Notes derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Pursuant to the Singapore Budget 2013, it was announced that the Qualifying Debt Securities Scheme and the QDS Plus Scheme are to be extended to debt securities issued during the period of 1 January 2014 to 31 December 2018, subject to certain amendments to be announced by the MAS.

## **Capital gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (“**FRS 39**”) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Income tax implications arising from the adoption of FRS 39”.

### ***Income tax implications arising from the adoption of FRS 39***

Singapore registered companies with annual periods beginning on or after 1 January 2005 are generally required to comply with FRS 39 for accounting purposes. The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). The Income Tax Act has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### ***Estate duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## **Taxation in Luxembourg**

The comments below are intended as a basic summary of certain withholding tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

### ***Withholding tax***

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders 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 certain individual Noteholders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

### ***Luxembourg non-residents***

Under the Luxembourg laws dated 21 June 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 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain “residual entities” resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the

interest payments elects for an exchange of information or, in case of an individual beneficiary, for the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are 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, and that are not and have not opted to be considered as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC), 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.

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

The European Commission has proposed certain amendments to the Savings Directive which, if implemented, may amend or broaden the scope of the requirements described above.

#### *Luxembourg residents*

In accordance with the law of 23 December 2005, as amended by the law of 17 July 2008, on the introduction of a withholding tax on certain interest payments on savings income, 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 European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

### **Taxation in the United States**

To ensure compliance with Internal Revenue Service Circular 230, U.S. Holders are hereby notified that: (a) any discussion of federal tax issues in this Base Prospectus is not intended or written by us to be relied upon, and cannot be relied upon by U.S. Holders for the purpose of avoiding penalties that may be imposed on U.S. Holders under the Internal Revenue Code; (b) such discussion is written to support the promotion or marketing of the transactions or matters addressed herein; and (c) U.S. Holders should seek advice based on their particular circumstances from an independent tax adviser.

*The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). Except where otherwise expressly noted, all references to Notes in this summary refer only to Registered Notes issued by Rabobank Nederland. This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes 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 Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not 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 organisations, dealers in securities or currencies, investors that will hold the Notes 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). Moreover, the summary does not address the U.S. federal income tax treatment of (i) Equity Linked Notes and Index Linked Notes that reference equities, (ii) FX Linked Notes, (iii) Notes for which payments of principal or interest are denominated in, or determined by reference to, more than one currency, or (iv) Notes with a term of more than 30 years. The U.S. federal income tax consequences of owning any such Notes will be discussed in the relevant Final Terms.*

*As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organised 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.*

*The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.*

*This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.*

*Bearer Notes (including Exchangeable Bearer Notes while in bearer form) are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.*

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### ***Payments of interest***

Interest on a Note, whether payable in U.S. Dollars or a currency, composite currency or basket of currencies other than U.S. Dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original issue discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by Rabobank Nederland on the Notes and original issue discount, if any, accrued with respect to the Notes (as described below under “Original issue discount”) generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

### ***Original issue discount***

#### ***General***

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“**OID**”).

A Note, other than a Note with a term of one year or less (a **“Short-Term Note”**), will be treated as issued with OID (a **“Discount Note”**) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an **“instalment obligation”**) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Floating Rate Notes”), applied to the outstanding principal amount of the Note. Solely for purposes of determining whether a Note has OID, Rabobank Nederland will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includable in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (**“accrued OID”**). The daily portion is determined by allocating to each day in any “accrual period” a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

#### *Acquisition premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest but in excess of its adjusted issue price (any such excess being **“acquisition premium”**) and that does not make the election described below under “Election to treat all interest as original issue discount” is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue

price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

#### *Market discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price" exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "**de minimis market discount**". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note, and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the U.S. Internal Revenue Service (the "**IRS**"). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includable in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Note with respect to which it is made and is irrevocable.

#### *Election to treat all interest as original issue discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original issue discount — General", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "Notes Purchased at a Premium") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "Market discount" to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

#### *Floating Rate Notes*

Notes that provide for interest at variable rates ("**Floating Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Floating Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Floating Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest,

paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Floating Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Floating Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of Rabobank Nederland (or a related party) or that is unique to the circumstances of Rabobank Nederland (or a related party), such as dividends, profits or the value of Rabobank Nederland’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of Rabobank Nederland). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Floating Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Floating Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Floating Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Floating Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Floating Rate Note’s issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Floating Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Floating Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Floating Rate

Note is issued at a “true” discount (i.e. at a price below the Note’s stated principal amount) in excess of a specified *de minimis* amount. OID on a Floating Rate Note arising from “true” discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Floating Rate Note.

In general, any other Floating Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Floating Rate Note. Such a Floating Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Floating Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Floating Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Floating Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Floating Rate Note. In the case of a Floating Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Floating Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Floating Rate Note as of the Floating Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Floating Rate Note is then converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Floating Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Floating Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Floating Rate Note during the accrual period.

If a Floating Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Floating Rate Note will be treated as a contingent payment debt obligation. See “Contingent Payment Debt Instruments” below for a discussion of the U.S. federal income tax treatment of such Notes.

#### *Short-term notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made

to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### *Fungible issue*

Rabobank Nederland may, without the consent of the Noteholders, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

#### **Notes purchased at a premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case, the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original issue discount — Election to treat all interest as original issue discount".

#### **Contingent payment debt instruments**

Certain Series or Tranches of Notes may be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("Contingent Notes"). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as "original issue discount" ("OID"), and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "comparable yield"), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the Issuer by submitting a written request for such information to Head of Investor Relations, Croeselaan 18, 3521 CB Utrecht, the Netherlands or e-mail: ir@rabobank.com.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR

## REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "Original issue discount — General" above, applied to the projected payment schedule. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale, exchange or retirement.

### **Purchase, sale and retirement of Notes**

#### *Notes other than Contingent Notes*

A U.S. Holder's tax basis in a Note will generally be its cost increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original issue discount — Market discount" or "Original issue discount — Short-Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

### *Contingent Notes*

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

### *Substitution of Issuer*

The terms of the Notes provide that, in certain circumstances (as described above under "Terms and Conditions of the Notes — Meeting of Noteholders, Modifications and Substitutions"), the obligations of Rabobank Nederland under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes) and the U.S. Holder's tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

### **Foreign currency notes**

#### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. Dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. Dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. Dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

#### *OID*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

#### *Market discount*

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. Dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. Dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### *Bond premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

#### *Foreign Currency Contingent Notes*

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a **“Foreign Currency Contingent Note”**). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under “Contingent Payment Debt Instruments”. The amount of OID on a Foreign

Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. Dollars under translation rules similar to those described above under "Foreign Currency — Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. Dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. Dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. Dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

#### *Sale or retirement*

##### *Notes other than foreign currency contingent notes*

As discussed above under "Purchase, Sale and Retirement of Notes", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. Dollar cost of the Note. The U.S. Dollar cost of a Note purchased with foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. Dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. Dollar values of the U.S. Holder's purchase price for the Note (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement.

#### *Foreign currency contingent notes*

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. Dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. Dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. Dollars using the exchange

rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. Dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. Dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. Dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. Dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. Dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. Dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. Dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

#### *Disposition of foreign currency*

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. Dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. Dollars) will be ordinary U.S. income or loss.

#### *Backup withholding and information reporting*

In general, payments of interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes payable to a U.S. Holder 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 will apply to these payments, including payments of OID, 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 are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

#### *Reportable transactions*

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders, and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

#### *Foreign financial asset reporting*

Legislation enacted in 2010 imposes new reporting requirements on the holding of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds U.S.\$50,000 at the end of the taxable year or U.S.\$75,000 at any time during the taxable year. These thresholds are increased for married couples filing jointly and for persons living outside of the United States. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisers regarding the application of this legislation.

#### *FATCA withholding*

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”), non-U.S. financial institutions that enter into agreements with the IRS (“**IRS Agreements**”) or become subject to provisions of local law intended to implement an inter-governmental agreement (“**IGA legislation**”) entered into pursuant to FATCA, may be required to identify “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA withholding on payments it receives and/or (b) to comply with any applicable laws in its jurisdiction, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information or documentation made on or after (i) 1 January 2014 in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce U.S. source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of “foreign passthru payments” and then only on “obligations” that are not treated as equity for U.S. federal income tax purposes and that are issued or materially modified on or after (a) 1 January 2014, and (b) if later, in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any Paying Agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an inter-governmental agreement will be unlikely to affect the Notes. The Agency Agreement expressly contemplates the possibility that the Notes may be exchanged for Definitive Notes and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, Definitive Notes will only be printed in remote circumstances.

## **Taxation in Austria**

*This summary is based on Austrian tax laws as currently in force and as applied on the date of this Base Prospectus. The following comments reflect the Issuer's understanding of certain aspects of Austrian tax laws in connection with the acquisition, ownership and disposition of the Notes. They are of rather general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. For their particular case, prospective investors should consult their professional legal and tax advisers.*

### **Recent developments – new capital gains tax**

The relevant Austrian tax laws for the taxation of income derived from debt instruments, including debt instruments such as the Notes, have been recently changed due to the entry into force of provisions included in the *Federal Budget Implementation Act 2011 (Budgetbegleitgesetz 2011, Federal Law Gazette I 2010/111 – "BIA 2011")*, the *Federal Tax Amendment Act 2011 (Abgabenänderungsgesetz 2011, Federal Law Gazette I 2011/76 – "TAA")* and the *Federal Budget Implementation Act 2012 (Budgetbegleitgesetz 2012, Federal Law Gazette I 2011/112 – "BIA 2012")* which by way of amendments to the *Austrian Income Tax Act 1988 (Einkommensteuergesetz 1988, Federal Law Gazette 1988/400 – "ITA")* introduced a new tax on "realised" capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*). This new capital gains tax applies not only to current income from debt instruments such as the Notes (interest payments and similar earnings) but also to "realised" capital gains stemming from their sale or redemption, if purchased on or after 1 April 2012. As regards income from debt instruments purchased before this date, the old tax regime continues to apply with some particularities (the transitional provisions are not discussed). The information on Austria's newly enacted capital gains tax is mainly based on the wording of the law and on the explanatory notes thereto.

### **General remarks**

Individuals resident in Austria are subject to Austrian income tax (*Einkommensteuer*) on their worldwide income (unlimited income tax liability). Individuals qualify as residents if they have either their permanent domicile and/or their habitual abode in Austria. Otherwise, they are non-resident individuals subject to income tax only on income from certain Austrian sources (limited income tax liability).

Companies resident in Austria are subject to Austrian corporate income tax (*Körperschaftssteuer*) on their worldwide income (unlimited corporate income tax liability). Companies qualify as residents if they have their place of effective management and/or their legal seat in Austria. Otherwise they are non-residents subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability).

Under Austrian tax law, individuals are subject to income tax pursuant to the ITA generally at progressive tax rates between 0 per cent. and 50 per cent. Corporate entities are subject to a corporate income tax at a rate of 25 per cent. pursuant to the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz 1988, Federal Law Gazette 1988/401 – "CITA"*).

In case of unlimited and limited (corporate) income tax liability, Austria's right to levy taxes may be restricted by double taxation treaties.

There is no transfer tax, registration tax or similar tax payable in Austria by the holders of the Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes (which are issued in bearer form only). The sale and purchase of the Notes is not subject to Austrian stamp duty provided that no other transaction potentially taxable under the *Federal Stamp Duty Act* (Gebührengesetz 1957, Federal Law Gazette 1957/267 as amended) such as an assignment is entered into for which a document (*Urkunde*) within the meaning of the Stamp Duty Act is executed.

### **Austrian residents**

Income derived from the Notes by individuals with a permanent domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the ITA or the CITA.

#### *Austrian resident individuals*

Income derived from debt instruments such as the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Such income comprises not only current income, i.e. interest payments and similar earnings, but also "realised" capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*) stemming from the sale or redemption of debt instruments, irrespective of whether they have been held as business or non-business assets and irrespective of whether the profits have been realised within a particular holding period (formerly, in case of individuals, only such profits stemming from securities which were held only for a period not exceeding one year were taxed). According to the relevant provisions of the ITA, "realised" capital gains principally consist in the difference (surplus) between the proceeds from the sale or redemption of the debt instruments, i.e. their selling or redemption price, and their purchase price.

Such profits, i.e. current income and "realised" capital gains, are in principle subject to a special tax rate of 25 per cent. and will be deducted by the custodian bank or the paying office (*Kapitalertragsteuer*, Capital Proceeds Tax – "CPT"). However, as regards profits from debt instruments such as the Notes, the special tax rate will only apply in cases where the instruments have in the primary offering been offered to an undetermined number of people ("public offer"). This tax is in principle "final", which means that no further taxation will be allowed on such capital gains and that they do not have to be declared in other tax declarations of the taxpayer (in particular, a personal tax rate exceeding 25 per cent. will not apply). In case the taxpayer applies for regular taxation (*Regelbesteuerungsoption* – which he might do in case his personal tax rate is below 25 per cent.) or for the offsetting of losses (*Verlustausgleichsoption*), taxation is not final. The option for regular taxation may be exercised independently from the option for the offsetting of losses by filing a respective request to the tax office. It leads to an assessment for income tax and to the application of the regular, progressive income tax rate (currently amounting to a maximum of 50 per cent. for yearly taxable income exceeding EUR 60.000) on all taxable capital gains.

Further, pursuant to the relevant provisions of the ITA also the withdrawal or transfer of debt instruments such as the Notes from their current investor's securities account shall, as a general rule, equally trigger CPT, unless one of the exemptions contained in the ITA applies. These exemptions are all based on the idea that no CPT shall be deducted, in cases where the taxation of potential future profits stemming from the sale or redemption of the transferred debt instruments remains in fact possible. In addition, since 1 April 2012, amended exit tax rules (*Wegzugsbesteuerung*) apply, which are not discussed herein.

In its international dimension, the newly enacted capital gains tax applies only and CPT will only be deducted, if either the custodian bank (*depotführende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in Austria. A paying office may be any organisational entity

of a bank which is able to credit amounts of money to cash accounts of clients or to pay in cash. In most cases, the paying office will be the bank with which the investor maintains his securities account. It is not the Paying Agent (as defined in the Programme documents). The term "custodian bank" refers to banks (its branches and offices) providing the securities account to the investor and not to any other bank up in the holding chain. The custodian bank or, if applicable, the paying office will be responsible for the deduction of the capital gains tax ("CPT") and its transfer to the respective Austrian tax office.

To the extent that no CPT is deducted due to the lack of a custodian bank or a paying office located in Austria, the income derived from debt instruments such as the Notes must be included into the respective taxpayer's tax declaration, if such profits are received by an Austrian resident individual subject to unlimited income tax liability. In this case, the special tax rate of 25 per cent. applies equally.

#### *Austrian resident corporate investors*

Income from debt instruments such as the Notes (interest payments, capital gains), realised by a corporate investor resident in Austria is subject to Austrian corporate income tax (*Körperschaftssteuer*) at a rate of 25 per cent. CPT rules apply in case such income is paid out via a custodian bank or paying office located in Austria. In such case, deducted CPT will be credited against the corporate income tax liability. However, corporations deriving business income from debt instruments such as the Notes may avoid the deduction of CPT by filing a statement of exemption with the custodian bank (or the paying office) and with the competent Austrian tax office to the fact that the payment received is due to a commercial enterprise subject to taxation in Austria (*Befreiungserklärung*).

In this context it is of note that there is, *inter alia*, a special tax regime for Austrian private law foundations (*Privatstiftungen*). Such foundations are subjected to a special interim income tax of currently 25 per cent. to be paid on income derived from debt instruments such as the Notes.

#### **Non-residents**

Income of non-resident individuals and corporations (within the meaning of the relevant Austrian tax law) derived from debt instruments such as the Notes (interest payment, capital gains) is not taxable in Austria, provided that such income is not attributable to an Austrian permanent establishment. In this case, Austrian capital gains tax (CPT) being deducted by a custodian bank or a paying office located in Austria may be avoided, if the beneficiary demonstrates to the custodian bank (or the paying office), by supplying corroborating evidence, that he qualifies as non-resident for tax purposes and that he is therefore subjected to limited (corporate) income tax liability.

#### **EU Savings Directive**

In Austria, provisions for implementing the EU Savings Tax Directive have been enacted by the *EU-Quellensteuergesetz* (Federal Law Gazette I 2004/33 – "EU-QuStG"). Section 1 of the EU-QuStG provides that interest payments paid or credited by a paying office located in Austria to a beneficial owner who is an individual resident in another EU Member State (or certain dependent or associated territories) is subject to a withholding tax if no exemption from such withholding applies. Pursuant to the EU-QuStG, tax from interest payments must be deducted on a time-scaled basis. For the first three years after the EU-QuStG came into force (i.e. from 1 July 2005 onwards), 15 per cent. on paid interest has been deducted, for the subsequent three years (i.e. from 1 July 2008 onwards), a tax of 20 per cent. applied. Since 1 July 2011, the tax to be deducted amounts to 35 per cent. This tax is not deducted in case the beneficial owner of the interest provides a certificate of the competent tax authority of the EU Member State where he is resident. The certificate must include the beneficial owner's name, address, tax number or other identification number or if such number is not available, the date of birth and the paying bank's registered office. In addition, the name and address of the paying bank, as well as the account number of the beneficial owner or, if an account number is unavailable, the security identification number must be included.

## **Other Taxes**

Due to a decision of the Austrian Constitutional Court (*Verfassungsgerichtshof*), the Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished with effect from 1 August 2008. However, pursuant to section 121a of the Federal Fiscal Code (*Bundesabgaben-ordnung*, Federal Law Gazette 1961/194 as amended), gifts exceeding certain amounts must be notified to the Austrian tax authorities within a three-month notification period. In addition, it should be mentioned that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Federal Foundation Transfer Act (*Stiftungseingangssteuergesetz*, Federal Law Gazette I 2008/85). This tax is triggered, if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. The tax is based on the market value of the transferred assets less any debt economically linked to these assets. In general, the applicable tax rate amounts to 2.5 per cent. However, in certain cases, a higher tax rate of 25 per cent. applies.

## **Taxation in Belgium**

*The following summary describes the principal Belgian tax considerations with respect to the holding of Notes obtained by an investor in Belgium. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect. This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Notes or any tax consequences after the moment of exercise, settlement or redemption.*

*Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.*

## **Belgian Withholding Tax**

Under Belgian tax law, “interest” income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° *Belgian Income Tax Code*), in the case of a realisation of the Notes between two interest payment dates, the interest accrued during the detention period. In general, Notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the Notes, on the basis of which it is possible to calculate the amount of *pro rata* interest income at the moment of the sale of the Notes during their lifetime.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes) subject to such reductions or exemptions as may be available under Belgian domestic or treaty law.

## ***Belgian Income Tax rules applicable to natural persons resident in Belgium***

For Belgian resident individuals, the 25 per cent. Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

If the interest is paid outside Belgium without the intervention of a Belgian paying agent, the investor must report the net interest (after deduction of any non-Belgian withholding tax) in the personal income tax return and pay income tax thereon at the rate of in principle 25 per cent.

Capital gains realised upon the sale of the Notes are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate or except to the extent that the capital gains qualify as interest (as defined above in the section entitled "*Belgian Withholding Tax*"). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals holding the Notes not as a private investment but in the framework of their professional activity or when the transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

#### ***Belgian resident corporations***

Interest derived by Belgian corporate investors (i.e. corporations subject to Belgian Corporate Income Tax) on the Notes and capital gains realised on the disposal or settlement of the Notes will in principle be subject to Belgian corporate income tax at the rate of in principle 33.99 per cent. Capital losses on the Notes are in principle tax deductible.

For Belgian resident corporations, interest payments on the Notes (except Zero Coupon Notes and other Notes which provide for the capitalisation of interest) made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a special affidavit is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

#### ***Organisation for financing pensions***

Interest derived on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of Belgian Organisations for Financing Pensions ("OFPs"). Capital losses incurred by OFPs on the Notes will not be tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

#### ***Other Belgian legal entities***

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (*Rechtspersonenbelasting / impôt des personnes morales*), are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section entitled "*Belgian Withholding Tax*") on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest. However, if the interest is paid outside Belgium, i.e. without the intervention of a Belgian paying agent and without deduction of the Belgian withholding tax, the legal entity itself is liable to declare the interest to the Belgian tax administration and to pay the 25 per cent. withholding tax to the Belgian treasury.

Capital gains realised on the Notes are in principle tax exempt, except to the extent the capital gain qualifies as interest (as defined in the section entitled "*Belgian Withholding Tax*"). Capital losses on the Notes are in principle not tax deductible.

#### ***Non-residents of Belgium***

The interest income on the Notes paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax. Interest income on the Notes paid through a Belgian professional intermediary will in principle be subject to a 25 per cent. Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. Non-resident holders

that have not allocated the Notes to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock market company or a Belgian clearing or settlement institution and provided that the non-resident (i) is the owner or usufruct holder of the Notes, (ii) has not allocated the Notes to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

Non-resident holders using the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above).

Non-resident holders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

#### *Belgian implementing legislation of the EU Savings Directive*

The reporting obligations of the EU Savings Directive, as implemented in Belgium, may apply to interest payments on the Notes made by a paying agent located in Belgium.

#### **Belgian tax on stock exchange transactions**

A stock exchange tax (*Taxe sur les opérations de bourse, Taks op de beursverrichtingen*) will be levied on the acquisition and disposal of existing Notes for consideration on the secondary market in Belgium through a professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The tax rate is 0.09 per cent. with a maximum amount of €650.00 per transaction and per party.

However, this tax will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional investors, as defined in Articles 126-1.2 of the Code on Miscellaneous Duties and Taxes (*Code des droits et taxes divers*).

#### **Belgian tax on the physical delivery of bearer Notes**

A tax of 0.6 per cent. is levied upon the physical delivery of bearer Notes pursuant to their acquisition on the secondary market through a professional intermediary. The same tax applies to the conversion of registered Notes into bearer Notes and to the physical delivery of bearer Notes pursuant to a withdrawal of these Notes from open custody. The tax on the delivery of bearer Notes is due either on the sums payable by the purchaser, or on the sales value of the Notes as estimated by the custodian in the case of a withdrawal from open custody or by the person asking for the conversion of the Notes in case of conversion of a registered Notes in a bearer Notes. The tax is payable by the issuer, the professional intermediary or the custodian.

The physical delivery of bearer Notes to recognised Belgian professional intermediaries (such as credit institutions), acting for their own account, is exempt from the above tax.

### **Taxation in Denmark**

*The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment,*

*holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.*

#### **Taxation at source**

Under existing Danish tax laws, no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in The Danish Corporation Tax Act (*Selskabsskatteloven*) of 14 November 2012 (as amended). This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer or where the holders of the Notes and shares of the Issuer are not controlled by the same group of persons.

#### **Resident Noteholders**

Private individuals, including individuals who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains and losses are taxable to individuals and corporate entities in accordance with the Danish Capital and Exchange Gains Act (*Kursgevinstloven*) of 14 November 2012. Gains and losses on Notes issued to corporate entities are included in the taxable income in accordance with a mark-to-market principle (*lagerprincippet*), i.e. on an unrealised basis.

Gains and losses on Notes issued to individuals are generally included in the taxable income on a realised basis. However, the gain or loss will only be included in the taxable income when the net gain or loss for the year on debt claims, net gains/losses on debt denominated in foreign currency and gains/losses on investment certificates in bond-based investment funds subject to minimum taxation in total exceeds DKK 2,000.

A variety of features regarding interest and principal may apply to the Notes. The applicable taxation of capital gains to corporate entities or individuals will depend on the features applicable to the Notes in question.

#### **Structured notes**

Structured notes can be designed in many ways and with many different underlying assets or in a way that the yield will depend on various index or currency flows. When structured notes are issued the following tax rules apply.

Gains and losses on structured notes are generally treated as gains and losses on financial instruments in accordance with section 29(3) of the Act. However, there are exceptions – for example, notes which are adjusted in relation to developments in the consumer prices index (as computed by Statistics Denmark (*Danmarks Statistik*)), the net consumer-price index or a similar index within the European Union or any of its member states. The gains and losses are calculated irrespective of the rules applying to the underlying asset.

Gains and losses on structured notes issued to both corporate entities and individuals are predominantly treated as taxable income in accordance with a mark-to-market principle (*lagerprincippet*), i.e. on an unrealised basis.

Corporate entities are generally able to deduct losses on structured notes, but individuals may only deduct losses on structured notes against gains on other financial instruments. However, in both cases, certain restrictions and exceptions apply.

#### **Pension funds, etc.**

Pension funds and other entities governed by the Danish Act on Taxation of Pension Investments Returns (*Pensionsafkastbeskatningsloven*) of 22 February 2011 (as amended) are, irrespective of

realisation, taxed on the annual increase or decrease on the Notes according to a mark-to-market principle (*lagerprincippet*) as specifically laid down in the act.

### **Non-resident Noteholders**

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholder, irrespective of whether the Noteholder holds a note or a structured note, are not subject to taxation in Denmark. No withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark other than in certain cases on payments in respect to controlled debt in relation to the Issuer as referred to under "Taxation at source" above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

### **Taxation in Finland**

*The following summary relates only to Finnish withholding tax issues with respect to payments made under the Notes to persons who are generally liable to tax on Finland (i.e. persons resident of Finland for tax purposes). The summary does not deal with any other Finnish tax implications of acquiring, holding or disposing of the Notes. Investors are advised to seek professional advice relating to other tax implications in respect of acquiring, holding or disposing of the Notes.*

As the Issuer is not resident in Finland for tax purposes, there is no Finnish withholding tax (*lähdevero*) applicable to the payments made by the Issuer in respect of the Notes. However, Finland operates a system of preliminary taxation (*ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. In the context of the Notes, a tax of 30 per cent. will be deducted and withheld from all payments that are treated as interest or as compensation comparable to interest (including gains arising from the redemption (but not the disposal) of the Notes, when such payments are made by a Finnish Paying Agent to individuals. Such preliminary tax (*ennakonpidätys*) will be used for the payment of the individual's final taxes (i.e. they will be credited against the individual's final tax liability).

### **Taxation in France**

*The following is an overview addressing only the French compulsory withholding tax treatment of income arising from the Notes. This overview is (i) based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect, and (ii) prepared on the assumption that the Issuers are not French residents for French tax purposes and are not acting from a French branch, permanent establishment or other fixed place of business in France in connection with the Notes. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisers so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Notes.*

Prospective purchasers of the Notes who are French resident for tax purposes or who would hold such Notes through a permanent establishment or fixed base in France should be aware that transactions involving the Notes, including any purchase or disposal of, or other dealings in, the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals).

Pursuant to Article 9 of 2013 Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain exceptions, interest and other similar revenues paid by paying agents established in France or, under certain conditions, in the European Union or in a State which is a member of the European Economic Area and which has entered into a convention providing for administrative assistance with a view to combating tax fraud and avoidance, and received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid by paying agents established in France to individuals who are fiscally domiciled in France.

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law under article 242 ter of the French tax code (*Code général des impôts*), which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

## **Taxation in Germany**

On the date of this Base Prospectus, there is in the Federal Republic of Germany no statutory obligation for the Issuer to withhold or deduct any German withholding tax (*Kapitalertragsteuer*) from payments of interest and repayment of capital on the Notes as well as gains from the disposal, redemption, repayment or assignment of the Notes.

The flat tax (*Abgeltungssteuer*), for the withholding of which a German Disbursing Agent is responsible, is to be distinguished from the aforesaid. If the Notes are kept or administered in a domestic securities deposit account by a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether a "**German Disbursing Agent**"), the German Disbursing Agent will withhold the flat tax in an amount of 25 per cent. plus a 5.5 per cent. solidarity surcharge thereon (resulting in a total withholding tax charge of 26.375 per cent) on payments of interest and on gains from the disposal, redemption, repayment or assignment of Notes. Where the Notes are not kept or administered in a domestic securities deposit account with a German Disbursing Agent and interest or proceeds from the disposal, redemption, repayment or assignment of the Notes are paid by a German Disbursing Agent, the flat tax will generally also apply.

However, in general, non-residents of Germany are not subject to such flat tax, subject to meeting certain further requirements.

## **Taxation in Ireland**

*The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only. It does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.*

### **Withholding tax**

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. An Issuer will not be obliged to withhold tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest and premium paid on the Notes may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or if the Notes are in bearer form the Notes are physically held in Ireland; or
- (c) the assets relating to the Notes are attributed to an Irish branch or agency of the Issuer.

It is anticipated that (i) the Issuers are not and will not be resident in Ireland for tax purposes; (ii) the Issuers will not have a branch or permanent establishment in Ireland to which the assets relating to the Notes are attributed; (iii) that bearer Notes will not be physically located in Ireland; and (iv) the Issuers will not maintain a register of any registered Notes in Ireland.

### **Encashment tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any interest paid on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident.

Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **EU Savings Directive**

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings, income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Security holder (including the Security holder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

### **Taxation in Italy**

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposal of the Notes. The statements in this Base Prospectus regarding taxation are based on the laws in force in Italy as at the date of this Programme and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

## **Tax treatment of interest on the Notes**

### **Notes qualified as bonds or debentures similar to bonds**

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (“**Decree 239**”), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, “**Interest**”) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

For this purpose, securities similar to bonds are debt instruments implying a “use of capital” issued in mass that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow a direct or indirect participation in the management of the issuer.

### **Italian resident Noteholders**

Where the Italian resident Noteholder who is the beneficial owner of the Notes is (a) an individual not engaged in an entrepreneurial activity to which the relevant Notes are connected (unless he has opted for the application of the “*risparmio gestito*” regime, see under “*Capital gains*”, below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 20 per cent. either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale or redemption of the relevant Notes. The *imposta sostitutiva* may not be recovered as a deduction from the income tax due.

In case the Notes are held by an individual or a non-commercial private or public institution engaged in a business activity and are effectively connected with the same business activity, Interest will be subject to the *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, the interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate taxation (*imposta sul reddito delle società “IRES”*) according to ordinary rules and, in certain circumstances, depending on the “status” of the Noteholder, also to the regional tax on productive activities (*imposta regionale sulle attività produttive (“IRAP”)*).

Where the Noteholder is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (“**Real Estate Investment Funds**”), Interest is subject neither to substitute tax nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent. on distributions made by Italian Real Estate Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund owning more than 5 per cent. of the fund’s units.

Where the Noteholder is an Italian investment funds (which includes *Fondi Comuni d’Investimento*, or SICAV), as well as Luxembourg investment funds regulated by article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, “**Funds**”), Interest is subject neither to substitute tax nor to any other income tax in the hands of the Fund. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent. on distributions made by the Fund or SICAV.

Where the Noteholder is a pension fund (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, “**Pension Funds**”), interest is not subject to substitute

tax, but must be included in the Pension Fund's annual net accrued result that is subject to an 11 per cent. substitutive tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an "**Intermediary**"). An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Capital gains realized on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident investors is subject to the tax regime described under paragraph 2 "Capital Gains" below.

#### *Non-Italian resident Noteholders*

Interest payments relating to Notes received by non-Italian resident beneficial owners are generally, provided that certain conditions and formalities are met, not subject to tax in Italy.

Capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by non-Italian resident investors is subject to the tax regime described under paragraph 2 "Capital Gains" below.

#### *Notes qualified as atypical securities*

#### *Italian resident Noteholders*

Interest payments relating to debt instruments implying a "use of capital" that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 per cent. if made to the following Italian resident Noteholders: (i) individuals, (ii) non-commercial partnerships; (iii) Real Estate Investment Funds, (iv) Funds, (v) Pension Funds and (vi) entities exempt from Italian corporate income tax.

Interest paid to Italian resident Noteholders which are companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) are not subject to the 20 per cent. withholding tax, but will form part of their aggregate income subject to IRES according to ordinary rules. In certain cases, such Interest may also be included in the taxable net value of production for IRAP purpose.

Capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident investors is subject to the tax regime described under paragraph 2 "Capital Gains" below.

#### *Non-Italian resident Noteholders*

Interest payments relating to Notes received by non-Italian resident beneficial owners are generally, provided that certain conditions and formalities are met, not subject to tax in Italy.

Capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by non-Italian resident investors is subject to the tax regime described under paragraph 2 "Capital Gains" below.

*Notes representing financial instruments non entailing a static “use of capital”*

Based on the principles stated by the Italian tax authorities in resolution No. 72/E of 12 July 2010, income deriving from Notes representing a securitised derivative financial instrument or a bundle of derivative financial instruments not entailing a static “use of capital” (“*impiego di capitale*”), but rather an indirect investment in underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such financial instruments as well as capital gains realised through the sale of the same Notes should be subject to Italian taxation according to the principles provided under paragraph 2 “Capital Gains” “Capital gain” below.

**Capital gains**

Where the Italian resident holder of Notes who is the beneficial owner of the Notes is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, pursuant to article 5 of Presidential Decree No. 917 of 22 December 1986 (“TUIR”) (with the exception of general partnership, limited partnership and similar entities) (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, and the Notes generate capital gains pursuant to article 67 TUIR, capital gains accrued on the sale of the Notes are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient who is an Italian resident individual not engaged in an entrepreneurial activity to which the Notes are connected may opt for three different taxation criteria provided for by article 67 TUIR and Legislative Decree No. 461 of 21 November 1997 (Decree 461), as subsequently amended:

- (a) under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;
- (b) as an alternative to the tax declaration regime, Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the “*risparmio amministrato*” regime provided for by Article 6 of the Decree 461). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant holder of the Notes. The depository is responsible for accounting the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of Notes or using funds provided by the holder of Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of Notes is not required to declare the capital gains in the annual tax return;

- (c) any capital gains realised or accrued by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime (provided for by Article 7 of the Decree 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of Notes is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident holder of the Notes who is the beneficial owner of the Notes is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Notes are effectively connected, capital gains arising from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant holder of Notes' income tax return and are therefore subject to IRES according to ordinary rules and, in certain circumstances, depending on the "status" of the Noteholder, also as a part of the net value of production for IRAP purposes.

Any capital gains realised on the transfer of or redemption of the Notes by beneficial owners which are Italian Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. Italian Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund, whereas a withholding tax at a rate of up to 20 per cent. will be applied under certain circumstances on income realised by the participants to the fund on distributions or redemption of the fund's units (where the item of income realised by the participants may include the capital gains on the Notes).

Any capital gains realised through the transfer for consideration or redemption of the Notes by beneficial owners which are Funds or SICAV will not be subject to any withholding or substitute tax applied at source. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent. on distributions or redemptions made by the Fund or SICAV to certain categories of investors.

Any capital gains realised through the transfer for consideration or redemption of the Notes by beneficial owners which are Pension Funds subject to the regime provided for by Article 17 of Decree 252/2005 are included in the calculation of the management result of the fund, accrued in each year, subject to substitute tax at the rate of 11 per cent.

Any capital gains realised on the transfer for consideration or redemption of the Notes by non-Italian resident beneficial owners without a permanent establishment in Italy to which the Notes are effectively connected:

- (a) are not subject to taxation in Italy pursuant to Article 23 TUIR, in case the Notes are traded in a regulated market. Non-Italian resident beneficial owners may be required to timely produce an appropriate self-declaration stating that they are not resident in Italy for tax purposes, in order to benefit from the exemption from taxation in Italy of capital gains realised on the transfer or the redemption of the Notes;
- (b) are in principle subject to a 20 per cent. substitute tax on capital gains pursuant to Article 5 of Decree 461/1997 in case the Notes are held in Italy and are not traded in a regulated markets. However, in such case, pursuant to Article 5, paragraph 5 of Decree 461/1997, capital gains are exempt from the 20 per cent. substitute tax if realised by (a) non-Italian resident persons, which are resident for tax purposes in a State or territory with which Italy has an adequate exchange of information (b) international bodies and organisations established in accordance with international agreements ratified in Italy; (c) foreign

institutional investors, even if they are not taxable persons, set up in a State or territory with which Italy has an adequate exchange of information; and (d) Central Banks and entities also managing official State reserves. In relation to non-Italian resident investors holding the Notes with an Italian authorized financial intermediary, the exclusion of Italian taxation may be subject to certain procedural formalities.

In case the above exemption does not apply, the provisions of Decree 461/1997 do not preclude the application of more favourable provisions laid down in any applicable double tax treaty entered into by Italy.

### ***Inheritance and gift taxes***

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the total value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value total of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

### ***Transfer tax***

Article 37 of Law Decree No 248 of 31 December 2007, converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of € 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### ***Wealth Tax on securities deposited abroad***

According to Article 19 of Decree of 6 December 2011, No. 201 ("Decree No. 201/2011"), converted with Law of 22 December 2011, No. 214, Italian resident individuals holding certain financial assets – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.15 per cent. The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial assets held outside of the Italian territory.

### ***Stamp taxes and duties***

According to Article 19 of Decree No. 201/2011, a proportional stamp duty applies on a yearly basis at the rate of 0.15 per cent. on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments. The stamp duty cannot

be lower than €34.20 and, for investors other than individuals, cannot exceed the amount of €4.500,00. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Tax Monitoring**

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or foreign financial activities must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EC Council Directive 2003/48/EC ("EU Savings Directive") through Legislative Decree No. 84 of 18 April, 2005 ("Decree 84"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

### **Taxation in Norway**

*The following is a general description of certain Norwegian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes, the tax laws of Norway and the applicability and effect of tax treaties for the avoidance of double taxation of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the laws of Norway as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### **Non-resident noteholders**

Payments of interest or principal amounts to a holder of Notes not resident in Norway for Norwegian tax purposes are generally not subject to Norwegian income or withholding tax. Similarly, Norwegian income or withholding tax will generally not be payable with respect to any capital gain or foreign currency exchange gain realised upon the sale, exchange, redemption or other form of disposal of Notes.

A holder of Notes not resident in Norway for Norwegian tax purposes is not subject to Norwegian wealth tax, property tax or similar taxes on the Notes.

A holder of Notes not resident in Norway for Norwegian tax purposes may, however, be subject to taxation in Norway on interest payments, capital gains and currency exchange gains and may be subject to Norwegian wealth tax, if the holding of Notes is effectively connected with a business the holder of Notes participates in or carries on in Norway or which is governed from Norway. If the holder of Notes is resident for tax purposes in a country with which Norway has a tax treaty, such tax liability may be modified through the applicable tax treaty.

### **Norwegian resident Noteholders**

Individuals, corporations and other legal entities resident in Norway for Norwegian tax purposes are subject to Norwegian income tax on their worldwide income. Interest, capital gain and foreign currency exchange gain derived by a holder of Notes resident in Norway for Norwegian tax purposes are generally included in the taxable income of the holder of the Notes.

Even though income from the Notes are generally taxable for holders of Notes resident in Norway for Norwegian tax purposes, such income is not subject to any Norwegian withholding tax at the level of the Issuer, custodian or paying agents.

### **Transfer Tax**

There is currently no Norwegian transfer tax on the transfer of Notes.

### **Taxation in Portugal**

*The following general summary does not consider all aspects of income taxation in Portugal that may be relevant to a holder of the Notes in the light of the holder's particular circumstances and income tax situation. This summary applies to holders of the Notes, who are solely tax resident in Portugal, and it is not intended to be, nor should it be construed to be, legal or tax advice. It is based on Portuguese tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.*

*Prospective holders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Portugal.*

#### **Resident individuals**

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Notes (including, upon a transfer of the Notes, the interest accrued since the last date on which interest was paid) are classified as "investment income" for Portuguese tax purposes.

Investment income obtained on Notes by a Portuguese resident individual is subject to Portuguese personal income tax. If investment income is made available to Portuguese resident individuals, by a Portuguese paying agent, acting on behalf of, or contractually obliged by, either the non-resident entity (bound to pay the income) or the Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual (except if deriving such income in the capacity of entrepreneur or self-employed professional) elects to declare such income in his or her tax return, together with the remaining items of income derived. Such aggregate amount is subject to tax at progressive rates of up to 56.5 per cent. In this case, the tax withheld is deemed a payment on account of the final tax due.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

Capital gains obtained by Portuguese resident individuals on the transfer of Notes are taxed at a special tax rate of 28 per cent. levied on the positive difference between the capital gains and capital losses of each year. Alternatively, the Noteholders may opt for declaring such income in their tax returns, together with the remaining items of income derived. Such aggregate amount is subject to tax at progressive rates of up to 56.5 per cent. No Portuguese withholding tax is levied on capital gains.

Losses arising from disposals for consideration in favour of counterparties subject to a clearly more favourable tax regime in the country, territory or region where it is a tax resident, listed in the Ministerial Order no. 150/2004 of 13th February, as amended by Ministerial Order no.292/2011, of 8th November, are disregarded for purposes of assessing the positive or negative balance referred to in the previous paragraph.

Where the Portuguese resident individual chooses to disclose the capital gains or losses in his or her tax return, any capital losses which were not offset against capital gains in the relevant tax period may be carried forward for two years and offset future capital gains.

***Resident corporate entities or non-resident corporate entities with a permanent establishment to which income associated with the Notes is imputable***

Investment income derived from Notes and capital gains obtained with the transfer of Notes by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in their taxable income and are subject to Portuguese corporate income tax at a rate of 25 per cent. to which a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income may be added. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State surcharge (*derrama estadual*) of 3 per cent. on the part of its taxable profits between €1,500,000 and €7,500,000 and of 5 per cent. of the part of the taxable profits that exceed €7,500,000.

Since the issuer of the Notes is a non-Portuguese resident entity, no withholding on account of the final corporate income tax liability applies, irrespective of the location of the paying agent.

Pension funds, retirement and/or education savings funds, share savings funds, venture capital funds incorporated under the laws in Portugal and some other similar entities are exempt from corporate income tax.

**Taxation in Spain**

The following general summary does not consider all aspects of income taxation in Spain that may be relevant to a holder of the Notes in the light of the holder's particular circumstances and income tax situation. This summary applies to holders of the Notes, who are solely tax resident in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice. It is based on Spanish tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Prospective holders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Spain.

As a general rule, on the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, as defined in the article 13.1.a of the Royal Legislative Decree 5/2004, of March 5, promulgating the Consolidated Text of the Non Resident Income Tax Law or in the applicable tax treaty, all payments of principal and interest in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in Spain of whatsoever nature imposed, levied, withheld, or assessed by Spain or any political subdivision or taxing authority thereof or therein, in accordance with applicable Spanish law.

Notwithstanding the above, investors should consider the following rules:

### **Spanish resident individuals**

#### *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

The withholding tax regime will be as follows:

- (c) Interest paid to holders who are Spanish resident individuals will be subject to Spanish withholding tax at 21 per cent. for tax period 2013 (19 per cent. for 2014 onwards) to be deducted by the depositary entity of the Notes or the entity in charge of collecting the income derived thereunder, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.
- (d) Income obtained upon transfer of the Notes will be subject to Spanish withholding tax at 21 per cent. for tax period 2013 (19 per cent. for 2014 onwards) to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.
- (e) Income obtained upon redemption of the Notes will be subject to Spanish withholding tax at 21 per cent. for tax period 2013 (19 per cent. for 2014 onwards) to be deducted by the financial entity appointed by the Issuer (if any) for redemption of the Notes, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

### **Spanish entities**

#### *Corporate Income Tax (“CIT”)*

Under certain conditions, withholding taxes may apply to Spanish taxpayers when a Spanish resident entity or a non-resident entity that operates in Spain through a permanent establishment in Spain is acting as depositary of the Notes, as a financial entity appointed by the Issuer or as a collecting agent of any income arising from the Notes (withholding tax at 21 per cent. for tax period 2013 and 19 per cent. for 2014 onwards).

Finally, please note that no withholdings on account of the final CIT liability of Spanish corporate investors will have to be deducted on income derived under the Notes if, and to the extent that, the Notes are listed on an organised market of an OECD country provided that certain requirements are met.

### **Taxation in Sweden**

*The following summary outlines certain Swedish tax consequences relating to the Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. This description outlines Swedish taxes withheld at source only and does thus not deal comprehensively with all tax consequences that may occur for holders of Notes, nor does it cover the specific rules where Notes are held by a partnership or as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. The summary does not address the rules regarding reporting obligations for, amongst others, payers of interest. Investors should consult their professional tax advisors regarding the Swedish tax and other tax consequences (including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.*

### **Holders not resident in the Kingdom of Sweden**

No Swedish withholding tax or deduction is imposed or made in respect of payments to a non-resident holder of any principal amount or any amount that is considered to be interest for Swedish tax purposes. A person is resident in Sweden for Swedish tax purposes if the person (a) is domiciled in

Sweden; (b) has its habitual abode in Sweden; or (c) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection with Sweden.

There are no specific Swedish tax rules defining interest. However, it is generally held that, where the terms and conditions of an instrument provide for payments to be made under predetermined circumstances established by the terms and conditions, based on predetermined increase in value or consideration, such payment should be considered interest.

### ***Holders resident in the Kingdom of Sweden***

There is no Swedish withholding tax on payments made by the Issuer in respect of the Notes to Holders resident in Sweden for tax purposes, but any income is taxable as capital income at a rate of 30 per cent. If amounts that are considered to be interest for Swedish tax purposes are paid by Euroclear Sweden AB or by another legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) resident in Sweden for Swedish tax purposes, Swedish preliminary taxes (*preliminärskatt*) are normally withheld by Euroclear Sweden AB or such legal entity on such payments. Swedish preliminary taxes will normally be withheld also on other return on securities and receivables (but not capital gains), if the return is paid out together with an amount that is considered to be interest for Swedish tax purposes.

### ***Taxation in the United Kingdom***

*The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law as applied in England and Wales and published HM Revenue and Customs ("HMRC") practice (which may not be binding on HMRC) relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes and is not intended to be exhaustive. It assumes that interest on the Notes does not have a United Kingdom source and, in particular, that the Issuer is neither United Kingdom resident nor acts through a permanent establishment in the United Kingdom in relation to the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax.

HMRC has powers to obtain information relating to securities in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, among others, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such

amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2014. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.]

## TRANSFER RESTRICTIONS

### Rule 144A Notes

Each purchaser of Restricted Notes issued by Rabobank Nederland pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (1) It is (a) a qualified institutional buyer within the meaning of Rule 144A, (b) acquiring such Notes for its own account or for the account of a qualified institutional buyer and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (2) It understands that such Notes 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 qualified institutional buyer purchasing for its own account or for the account of a qualified institutional buyer, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S 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 of the United States.
- (3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE 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 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 PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) 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 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 THIS NOTE.

- (4) Rabobank Nederland, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more qualified institutional buyers, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) It understands that the Notes offered in reliance on Rule 144A will be represented by one or more Restricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the

form of an interest in an Unrestricted Global 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.

(6) Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such purchaser and those persons, if any, retained to advise such purchaser with respect thereto, is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

### **Regulation S Notes**

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period (as used in "Plan of Distribution"), by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes 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.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or in the case of Notes issued by Rabobank Nederland, in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a qualified institutional buyer purchasing for its own account or the account of a qualified institutional buyer in each case in accordance with any applicable securities laws of any State of the United States.
- (3) The Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (4) It understands that the Notes offered in reliance on Regulation S may be represented by one or more Unrestricted Global Certificates. Prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Certificate representing Notes issued by Rabobank Nederland may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global 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.

## PLAN OF DISTRIBUTION

### Summary of Distribution Agreement

Subject to the terms and on the conditions contained in an amended and restated Distribution Agreement dated 8 May 2013 (the “**Distribution Agreement**”) as further amended or supplemented at the Issue Date, between the Issuer, the Permanent Dealers (as defined in the Distribution Agreement) and the Arranger, the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers in respect of such issue of Notes against certain liabilities in connection with the offer and sale of such Notes, including liability under the Securities Act, and to contribute for payments that such Dealers may be required to make in respect thereof. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling restrictions

#### General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms.

#### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the relevant Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S or (in the case of Notes issued by Rabobank Nederland) Rule 144A. Each Dealer has further agreed that it will have sent to each dealer to which it sells Notes (other than a sale of Notes issued by Rabobank Nederland pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of an offering of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Distribution Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes issued by Rabobank Nederland within the United States only to qualified institutional buyers pursuant to Rule 144A.

Each purchaser of Restricted Notes that have not been registered under the Securities Act is hereby notified that the offer and sale of such Restricted Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Each purchaser of Restricted Notes pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed that it is a qualified institutional buyer, that it is aware that the sale to it is being made in reliance on Rule 144A and that it is acquiring the Notes for its own account or for the account of a qualified institutional buyer. See "Transfer Restrictions".

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**") following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the date specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other

than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **The Netherlands**

Each Dealer has represented and agreed that the Notes may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes Securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*, the “**SCA**”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such securities if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

## Australia

This Base Prospectus has not and no prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia in relation to the Programme or the Notes has been or will be or is required to be lodged with the Australian Securities and Investments Commission ("ASIC") or the ASX Limited ("ASX"). Each Dealer represents and agrees that, and unless the relevant Final Terms or supplement to this Base Prospectus otherwise provides, it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Base Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in an alternate currency, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia and complies with the terms of any authority granted under the Banking Act 1959 of Australia, (ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act 2001 of Australia, (iii) such action complied with all applicable laws, regulations and directives in Australia and (iv) such action does not require any document to be lodged with ASIC or the ASX.

In addition, each Dealer agrees that, in connection with the primary distribution of the Notes, it will not sell Notes to any person who has been notified in writing by Rabobank Australia Branch to be an associate of Rabobank, the acquisition of a Note by whom would cause Rabobank to fail to satisfy the public offer test in section 128F of the Income Tax Assessment Act 1936 of Australia as a result of section 128F(5) of the Income Tax Assessment Act 1936 of Australia.

## Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

#### **Republic of France**

Each Dealer has represented, warranted and agreed that:

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* ("AMF") of the approval of the prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU), all in accordance with Articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus; or

- (b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes 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, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) and/or (iii) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code *monétaire et financier*.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **Hong Kong**

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **United Arab Emirates (excluding the Dubai International Financial Centre)**

Each Dealer has represented and agreed that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

## **Dubai International Financial Centre**

Each Dealer has represented and agreed that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the “**DFSA**”); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

## **Qatar**

Each Dealer has represented and agreed that the Notes have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering.

This document has not been reviewed or approved by or registered with the Qatar Financial Markets Authority or the Qatar Central Bank. This document is strictly private and confidential and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

### Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Base Prospectus or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Financial Services Act**”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “**Issuers Regulation**”), all as amended from time to time; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in Italy under paragraph (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 Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 16190 of 29 October 2007, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time, 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 by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are “systematically” distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

## Austria

The Notes have not and will not be offered to the public in Austria, except that an offer of the Notes may be made to the public in Austria:

- (a) if the following conditions have been satisfied:
  - (i) this Base Prospectus, including any supplements but excluding any Final Terms, in relation to the Notes issued by the Issuer, which has been approved by *Finanzmarktaufsichtsbehörde* in Austria (the “**FMA**”) or, where appropriate, approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospective Directive and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian banking business day prior to the commencement of the relevant offer;
  - (ii) the relevant Final Terms for the Notes have been published and submitted to the FMA at least one Austrian banking business day prior to the date of commencement of the relevant public offer; and
  - (iii) a notification with *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991, as amended (“**CMA**”: *Kapitalmarktgesetz 1991*), has been filed at least one Austrian banking business day prior to the date of commencement of the relevant public offer; or
- (b) otherwise in compliance with the CMA.

For the purposes of this provision, the expression “**public offer**” or “**an offer of the Notes to the public**” means any communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In respect of any Public Offer of Non-Exempt PD Notes the Offer Period in Austria will not commence until the day after the registration of the relevant Final Terms with the registration office (*Meldestelle*) has been duly made as required under the CMA.

## Brazil

The Notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offer or sale under Brazilian law or regulations. Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registrations required under Brazilian law and regulations, such as those provided for under Law No. 6,385/76, as amended, Instruction No. 400, issued by the *Comissão de Valores Mobiliários* on December 29, 2003, as amended. Documents relating to the offerings of the Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public, as provided for in the applicable laws and regulations, in Brazil.

## Israel

Neither the offering contemplated by these Final Terms nor the Notes have been or will be registered with the Securities Authority of the State of Israel. Accordingly, the Notes may not be offered or sold to the general public in Israel. The Notes shall only be offered to parties of the types that are listed in the First Schedule to the Securities Law, 5728-1968, of the State of Israel or Joint Investment Trusts Law, 5754-1994.

## **Monaco**

The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorised intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Notes. Consequently, these Final Terms may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel* and fully licensed portfolio management companies by virtue of Law n° 1.144 of July 26, 1991 and Law n° 1.338 of September 7, 2007 duly licensed by the *Commission de Contrôle des Activités Financières*.

## **Taiwan**

The Notes may not be offered or sold in Taiwan through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan. The Notes may only be made available for purchase outside of Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Notes.

## **United Mexican States**

Each Dealer has represented and agreed that it will not offer the Notes publicly in Mexico and will not distribute any offering materials in Mexico. The Notes have not been and will not be registered with the Securities Section of the National Registry of Securities maintained by the Mexican National Banking and Securities Commission, and may not be publicly offered in Mexico.

## **Republic of Turkey**

No application has been filed with the Capital Markets Board of the Republic of Turkey (the “CMB”) in connection with the issue of the Notes and their registration with the CMB. No application has been filed nor has any permission been obtained for listing the Notes nor has any other arrangement for trading the Notes on any regulated financial market in the Republic of Turkey (as defined by the Capital Markets Law No. 2499 of the Republic of Turkey (the “CML”)) been made.

Accordingly, each Dealer has represented and agreed that it has not and will not offer or sell the Notes to investors residing in the Republic of Turkey without registration of the Notes with the CMB and, in the case of a public offering, without issuing a prospectus and an offering circular approved by the CMB, except pursuant to an exemption from the prospectus and registration requirements of or otherwise in compliance with the CML and any other applicable laws or regulations of the Republic of Turkey.

Any person making or intending to make any offer within the Republic of Turkey of the Notes should only do so in circumstances in which no obligation arises for the Issuer or any Dealer to register the Notes and, in the case of a public offering, to issue a prospectus and a circular approved by the CMB. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Dealer.

Each Dealer has represented and agreed with the Issuer that it has complied with and will comply with all the requirements of the CML and related legislation and has not taken, and will not take, any action which would result in the Notes being deemed to have been issued in the Republic of Turkey.

In addition, each Dealer has represented and agreed that it has not sold or caused to be sold and will not sell or cause to be sold outside the Republic of Turkey the Notes (or beneficial interests therein) to residents of the Republic of Turkey, unless such sale is authorised pursuant to Article 15(d)(ii) of Decree No. 32 (as amended from time to time) and the CMB regulations.

## **Republic of South Africa**

The Notes may not be offered for sale or subscription or sold, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except (a) in accordance with the exchange control regulations of the Republic of South Africa and (b) to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations, the Companies Act 2008 and the Financial Advisory and Intermediary Services Act 2002 of the Republic of South Africa.

## **Russia**

Each Dealer has represented and agreed that the Notes will not be offered, transferred or sold or otherwise disposed of as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian Law.

## **Germany**

Each Dealer has represented and agreed that it has not offered or sold and that it will not offer or sell the Notes in the Federal Republic of Germany other than in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other applicable laws in the Federal Republic of Germany governing the issue, sale and offering of securities.

In respect of any Public Offer of Non-Exempt PD Notes, the Offer Period in Germany will not commence until the Final Terms have been published in accordance with Article 14 of the Prospectus Directive.

## **New Zealand**

This Base Prospectus has not been, nor will be, registered under the New Zealand Securities Act 1978 (the "Act"). Accordingly, the Notes must not be offered to the public in New Zealand within the meaning of that Act. Without limitation, no person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy, or sell the Notes, or distribute the Prospectus or any other advertisement or offering material relating to the Notes in New Zealand, or to any resident of New Zealand, except that the Notes may be offered (i) to persons whose principal business is the investment of money or who, in the course of and for the purpose of their business habitually invest money, or who in the circumstances can properly be regarded as having been selected other than as members of the public or (ii) otherwise as permitted under the Act and any other applicable laws.

## **Jordan**

Each Dealer has represented and agreed that the Notes have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Provisional Securities Law No. 76 of the Year 2002, as amended, and the regulations issued pursuant to it governing the issue, offering and sale of securities.

## **Switzerland**

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer has represented and agreed that the Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as

such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### **Ukraine**

Each Dealer has represented and agreed that the Notes shall not be offered by any of them for circulation, distribution, placement, sale, purchase or other transfer in the territory of Ukraine. Accordingly, nothing in this Base Prospectus or any other documents, information or communications related to the Notes shall be interpreted as containing any offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale, purchase or other transfer in the territory of Ukraine.

### **Canada**

Each Dealer has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Dealer has also represented and agreed that it has not and will not distribute or deliver this Base Prospectus, or any other offering material in connection with any offering of Notes, in Canada other than in compliance with applicable securities laws.

### **Kingdom of Sweden**

Each Dealer has represented and agreed that it has not and will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

### **People's Republic of China**

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

### **Norway**

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes directly or indirectly in the Kingdom of Norway or to residents or citizens of the Kingdom of Norway and that it has not distributed and will not distribute this Base Prospectus or any other offering material relating to the Notes in or from the Kingdom of Norway.

### **San Marino**

The Issuer has not been approved by the Central Bank of San Marino. Accordingly, the Notes may not be publicly offered in or from San Marino and neither the relevant Final Terms nor any other offering materials relating to the Notes may be made available through a public offering in or from San Marino. The Notes may only be offered and the relevant Final Terms may be distributed to "Professional Clients" as defined in the Law No. 165 of 17 November 2005 and its implementing regulations.

### **Argentina**

The Issuer has not made, and will not make, any application to obtain an authorisation from the *Comisión Nacional de Valores* ("CNV") for the public offering of the Notes in Argentina. The

CNV has not approved the Notes, the offering, nor any document relating to the offering of the Notes. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any of such Notes in Argentina, except in transactions that will not constitute a public offering of Securities Offering and Sale 511 within the meaning of Section 16 of the Argentine Public Offering Law No 17,811.

#### **Chile**

Neither the Issuer nor the Notes have been registered with the *Superintendencia de Valores Y Seguros* pursuant to Law No. 18.045, the *Ley de Mercado de Valores*, and regulations thereunder. Each Dealer has represented and agreed that this Base Prospectus, any other offering material or any Final Terms do not constitute an offer of, or an invitation to subscribe for or purchase, the Notes in The Republic of Chile, other than to individually identified buyers pursuant to a Private Offering within the meaning of Article 4 of the *Ley de Mercado de Valores* (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

#### **Finland**

This Base Prospectus does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell in Finland any Notes under circumstances which would constitute a public offer of securities under Finnish law, including the Finnish Securities Market Act (26.5.1989/495, as amended) and any regulation issued thereunder, as supplemented and amended from time to time. Any offer or sale of the Notes in Finland shall be made pursuant to a private placement exemption as defined under Article 3(2) of the Prospectus Directive, and the Finnish Securities Markets Act (26.5.1989/495, as amended) and any regulation made thereunder, as supplemented and amended from time to time. This Base Prospectus has not been approved by or notified to the Finnish Financial Supervisory Authority.

#### **Spain**

This Base Prospectus has not been approved by or registered in the administrative registries of the Spanish *Comisión Nacional del Mercado de Valores* and, therefore, each Dealer has represented and agreed that the Notes may not be offered in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of article 30bis of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de Julio, del Mercado de Valores*), as amended and restated, and supplemental rules enacted thereunder, or pursuant to an exemption from registration set out in article 41 of Royal Decree 1310/1995 of 4 November 1995.

#### **Guernsey**

Each Dealer has represented and agreed that the Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended or any exemption therefrom.

This Base Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey. This Base Prospectus may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as

licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

### **Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Market Act and its subordinate decrees and regulations (collectively, the "**FISCMA**"). Each Dealer has represented and agreed that the Notes may not be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FISCMA and the Foreign Exchange Transaction Law and its subordinate decrees and regulations (collectively, the "**FETL**"). Without prejudice to the foregoing, the number of the Notes offered in Korea or to a resident in Korea shall be less than 50 and for a period of one year from the issue date of the Notes, none of the Notes may be divided resulting in an increased number of the Notes. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL) in connection with the purchase of the Notes.

## FORM OF FINAL TERMS WITH RESPECT TO PD NOTES

### FINAL TERMS

#### COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND)

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

#### COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND) AUSTRALIA BRANCH

(Australian Business Number 70 003 917 655)

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

#### COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND) SINGAPORE BRANCH

(Singapore Company Registration Number S86FC3634A)

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

EUR 160,000,000,000

Global Medium-Term Note Programme

Due from seven days to perpetuity

**SERIES NO: [•]**

**TRANCHE NO: [•]**

**[•] Notes due [•] (the “Notes”)**

Issue Price: [•] per cent.

[Publicity Name(s) of Dealer(s)]

The date of these Final Terms is [•]

[Any person making or intending to make an offer of the Notes may only do so [:

- (i) in those Public Offer Jurisdictions mentioned in Paragraph [●] of Part B below, provided such person is of a kind specified in that paragraph and that the offer is made during the Offer Period specified in that paragraph; or
- (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>4</sup>

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 8 May 2013 [and the supplemental prospectus dated [●]] ([together,] the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of Directive 2003/ 71/ EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office in England of the Arranger and of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the offering circular/base prospectus dated [original date] (the “**Conditions**”), which are incorporated by reference in the base prospectus dated 8 May 2013 [and the supplemental prospectus dated [●]] ([together,] the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus and the Conditions. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus and the Conditions, contains all information that is material in the context of the issue of the Notes. The Base Prospectus is available for viewing at, and copies may be obtained from Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office in England of the Arranger and of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).

*[The following alternative language applies if Notes are issued pursuant to Rule 144A.]*

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<sup>4</sup> Paragraph to be included only in the case of a Tranche of Non-Exempt PD Notes.

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE HAVE 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 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 PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) 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 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 NOTES REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE]

**Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.**

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs, save in respect of the items in Part B, which may be deleted in accordance with the relevant footnotes. Italics denote guidance for completing the Final Terms.]*

*[Consider whether a drawdown prospectus is necessary in order to issue fungible Notes where the first Tranche was issued pursuant to a previous Base Prospectus/Offering Circular. This could arise in circumstances where, for example, the Final Terms for the original tranche included information which is no longer permitted to be included in Final Terms under the Prospectus Directive (as amended) or pursuant to guidance issued by ESMA.]*

|   |                      |   |
|---|----------------------|---|
| 1 | Issuer:              | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) <sup>5</sup> |
|   |                      | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)               |
|   |                      | Australia Branch  |
|   |                      | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)               |
|   |                      | Singapore Branch]   |
| 2 | (i) Series Number:   | [•]   |
|   | (ii) Tranche Number: | [•]   |

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<sup>5</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes to NGN form.

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|---|---|
| [(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] |   |
| <b>3</b>  | Specified Currency or Currencies: [●]   |
| <b>4</b>  | Aggregate nominal amount:   |
| (i) Series:   | [●]   |
| (ii) Tranche:   | [●]   |
| <b>5</b>  | Issue Price: [●] per cent. of the aggregate nominal amount<br>[plus accrued interest from <i>[insert date]</i> (if applicable)]   |
| <b>6</b>  | (i) Specified Denominations: <sup>6</sup> [●]<br>(ii) Calculation Amount: [●]   |
| <b>7</b>  | (i) Issue Date: [●]<br>(ii) Interest Commencement Date (if different from the Issue Date): [[●]/Not Applicable]   |
| <b>8</b>  | Maturity Date: [specify date (or indicate if Notes are perpetual) or (for Floating Rate Notes) Specified Interest Payment Date falling in or nearest to the relevant month and year]<br>(N.B. it will be necessary to use the second option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification) |
| <b>9</b>  | Domestic Note (if Domestic Note, there will be no gross-up for withholding tax): [No/Yes]   |
| <b>10</b>   | Interest Basis: [[●] per cent. Fixed Rate]<br>[[specify reference rate] +/- [●] per cent. Floating Rate]<br>[Inverse Floating Rate]<br>[Range Accrual]<br>[Zero Coupon]<br>[CMS Linked]<br>[further particulars specified below]  |
| <b>11</b>   | Redemption/Payment Basis: [Redemption at par]   |
| <b>12</b>   | Change of Interest Basis: [In respect of the period from (and including) the Issue Date to (but excluding) [●], [[●] per cent. per annum Fixed Rate/[specify reference rate] +/- [●] per cent. per annum  |

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<sup>6</sup> Although Rabobank may issue Notes with a denomination of less than €100,000 or equivalent, where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]”.

|           |   |   |
|-----------|---|---|
|           |   | Floating Rate] and thereafter, [[●] per cent. per annum Fixed Rate/[[specify reference rate] +/- [●] per cent. per annum Floating Rate]]][Not Applicable]   |
| <b>13</b> | Alternative Currency Equivalent:                    | [Not Applicable/Applicable. Condition 11(i)[●] applies (Specify applicable sub-paragraphs of Condition 11(i) which apply)]<br>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)               |
|           | (i) Alternative Currency:                           | [●]   |
|           | (ii) Alternative Currency Adjudication Agent:       | [●]   |
|           | (iii) Alternative Currency Calculation Agent:       | [●]   |
|           | (iv) Rate Calculation Jurisdiction:                 | [●]   |
|           | (v) Rate Calculation Business Days:                 | [●]   |
|           | (vi) Specified Time:                                | [●]   |
|           | (vii) Scheduled Payment Currency Disruption Events: | As specified in the Conditions  |
|           | (viii) Settlement Rate Option:                      | [●]   |
|           | (ix) USD Settlement Rate Option:                    | <i>[Only applicable where the Alternative Currency is a currency other than U.S. Dollars]</i>   |
|           | (x) Maximum Days of Postponement:                   | [●]   |
| <b>14</b> | Put/Call Options/Obligatory Redemption:             | [Put Option]<br>[Call Option]<br>[Obligatory Redemption]<br>[(further particulars specified below)]   |
| <b>15</b> | (i) Status of the Notes:                            | Senior  |
|           | (ii) Date approval for issuance of Notes obtained:  | [●]<br><i>[N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes]</i>   |
|           |   | <b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>   |
| <b>16</b> | Fixed Rate Note Provisions                          | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)  |
|           | (i) Rate[(s)] of Interest:                          | [●] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear]   |
|           | (ii) Interest Payment Date(s):                      | [●] in each year, commencing on [●] and ending on the Maturity Date<br><i>(N.B. Condition 11(h) will apply if an Interest Payment Date falls on a non-business day)</i><br>[Provided that, if any Interest Payment Date |

falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

For these purposes, “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]

*(N.B. The second option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)*

(iii) Fixed Coupon Amount[(s)]:

[[●] per Calculation Amount/Not Applicable]

[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]

*(N.B. The second option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)*

(iv) Broken Amount:

[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/[Not Applicable]]

(v) Day Count Fraction (Condition 1(a)):

[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA]

*(Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed)*

(vi) Determination Date(s) (Condition 1(a)):

[●] in each year [insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]

(vii) [Business Day Convention:

[Applicable — Modified Following Business Day Convention/Not Applicable]

*[Only applicable where Notes are*

|   |  |   |
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|   |  | <i>denominated in Renminbi]</i>   |
| <b>17 Floating Rate Note Provisions</b>   |  | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (i) Interest Period(s):   |  | [•]   |
| (ii) Specified Interest Payment Dates:  |  | [•]   |
| (iii) Business Day Convention:  |  | [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]                                    |
| (iv) Business Centre(s) (Condition 1(a)):   |  | [•] <i>(please provide all the relevant Business Centres)</i>   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:                                |  | [Screen Rate Determination/ISDA Determination]  |
| (vi) Interest Period Date(s):   |  | [Not Applicable/specify dates]  |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): |  | [Not Applicable/Condition [•] shall apply] <i>(Specify the Condition which sets out the applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s))</i> |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):            |  | [Calculation Agent/[•]]   |
| (ix) Screen Rate Determination (Condition 1(a)):  |  | [Applicable/Not Applicable]   |
| – Reference Rate(s):  |  | [•]   |
| – Interest Determination Date:  |  | [[•]/[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]                       |
| – Relevant Screen Page(s):  |  | [•]   |
| – Location of Reference Banks:  |  | [[•]/As per the Conditions]   |
| (x) ISDA Determination (Condition 1(a)):  |  | [Applicable/Not Applicable]   |
| – Floating Rate Option(s):  |  | [•]   |
| – Designated Maturity(ies):   |  | [•]   |
| – Reset Date:   |  | [•]   |
| (xi) Margin(s):   |  | [+/-] [•] per cent. per annum   |
| (xii) Minimum Rate of Interest:   |  | [•]   |
| (xiii) Maximum Rate of Interest:  |  | [•]   |
| (xiv) Day Count Fraction (Condition 1(a)):  |  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA]      |

|   |   |
|---|---|
| (xv) Gearing Factor:  | [Not Applicable/[●]]  |
| (xvi) Previous Coupon:  | [Applicable/Not Applicable/The Previous Coupon shall be calculated by reference to the Interest Period commencing on [●]]<br>[In respect of the Interest Period Commencing on the Interest Commencement Date, the Previous Coupon is [●] per cent.] |
| <b>18 Inverse Floating Rate Note Provisions</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Interest Period(s):   | [●]   |
| (ii) Specified Interest Payment Dates:  | [●]   |
| (iii) Business Day Convention:  | [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]  |
| (iv) Business Centre(s) (Condition 1(a)):   | [●] ( <i>please provide all the relevant Business Centres</i> )   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:                                | [Screen Rate Determination/ISDA Determination]  |
| (vi) Interest Period Date(s):   | [Not Applicable/specify dates]  |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): | Condition [●] shall apply ( <i>Specify the Condition which sets out the applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s)</i> )  |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):            | [Calculation Agent/[●]]   |
| (ix) Screen Rate Determination (Condition 1(a)):  | [Applicable/Not Applicable]   |
| – Reference Rate(s):  | [●]   |
| – Interest Determination Date:  | [●]/[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]  |
| – Relevant Screen Page:   | [●]   |
| – Location of Reference Banks:  | [●]/As per the Conditions]  |
| (x) ISDA Determination (Condition 1(a)):  | [Applicable/Not Applicable]   |
| – Floating Rate Option(s):  | [●]   |
| – Designated Maturity(ies):   | [●]   |
| – Reset Date:   | [●]   |
| (xi) Margin(s):   | [+/-] [●] per cent. per annum   |
| (xii) Minimum Rate of Interest:   | [●]   |

|  |  |
|--|--|
| (xiii) Maximum Rate of Interest:           | [●]  |
| (xiv) Day Count Fraction (Condition 1(a)): | [Actual/Actual; Actual/Actual-ISDA;<br>Actual/365 (Fixed); Actual/365 (Sterling);<br>Actual/360; 30/360; 360/360; Bond Basis;<br>30E/360; Eurobond Basis; 30E/360 (ISDA);<br>Actual/Actual-ICMA]   |
| (xv) Gearing Factor:                       | [●]  |
| (xvi) Previous Coupon:                     | [Applicable/Not Applicable/The Previous<br>Coupon shall be calculated by reference to<br>the Interest Period commencing on [●]]<br>[In respect of the Interest Period<br>Commencing on the Interest<br>Commencement Date, the Previous Coupon<br>is [●] per cent.] |

## 19 Range Accrual Note Provisions

|  |   |
|--|---|
|  | [Applicable/Not Applicable] <i>(If not<br/>applicable, delete the remaining sub-<br/>paragraphs of this paragraph)</i>  |
| (i) Interest Period(s):  | [●]   |
| (ii) Specified Interest Payment Dates:   | [●]   |
| (iii) Business Day Convention:   | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business<br>Day Convention/Preceding Business Day<br>Convention]                    |
| (iv) Business Centre(s) (Condition 1(a)):  | [●] <i>(please provide all the relevant Business<br/>Centres)</i>   |
| (v) Manner in which the Rate(s) of Interest is/are<br>to be determined:                                | [Screen Rate Determination/ISDA<br>Determination]   |
| (vi) Interest Period Date(s):  | [Not Applicable/specify dates]  |
| (vii) Applicable formula to be used for calculating<br>the Rate(s) of Interest and Interest Amount(s): | Condition [●] shall apply <i>(Specify the<br/>Condition which sets out the applicable<br/>formula, to be used for calculating the<br/>Rate(s) of Interest and Interest Amount(s))</i> |
| (viii) Party responsible for calculating the Rate(s) of<br>Interest and Interest Amount(s):            | [Calculation Agent/[●]]   |
| (ix) Screen Rate Determination (Condition 1(a)):   | [Applicable/Not Applicable]   |
| – Reference Rate(s):   | [●]   |
| – Interest Determination Date:   | [●]/[TARGET] Business Days in [specify<br>city] for [specify currency] prior to [the first<br>day in each Interest Accrual Period/each<br>Specified Interest Payment Date]]           |
| – Relevant Screen Page(s):   | [●]   |
| – Location of Reference Banks:   | [●]/As per the Conditions]  |
| (x) ISDA Determination (Condition 1(a)):   | [Applicable/Not Applicable]   |

|  |  |
|--|--|
| – Floating Rate Option(s):   | [•]  |
| – Designated Maturity(ies):  | [•]  |
| – Reset Date:  | [•]  |
| (xi) Accrual Range:  | [•]  |
| (xii) Applicable Rate:   | [•]  |
| (xiii) Minimum Applicable Rate:                                      | [•]  |
| (xiv) Fixing Day:  | [As per Conditions]/[•]  |
| (xv) Rate Cut-off Date:  | [As per Conditions]/[•]  |
| (xvi) Gearing Factor:  | [•]  |
| (xvii) Margin(s):  | [+/-] [•] per cent. per annum  |
| (xviii) Minimum Rate of Interest:                                    | [•]  |
| (xix) Maximum Rate of Interest:                                      | [•]  |
| (xx) Day Count Fraction (Condition 1(a)):                            | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA] |
| (xxi) Business Days:   | [As per Conditions]/[The Business Centre shall be [•]]   |
| <b>20 Zero Coupon Note Provisions</b>                                | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )  |
| (i) Amortisation Yield (Condition 7(b)):                             | [•] per cent. per annum  |
| (ii) Day Count Fraction (Condition 1(a)):                            | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA] |
| <b>21 CMS Linked Note Provisions</b>                                 | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )  |
| (i) Interest Period(s):  | [•]  |
| (ii) Specified Interest Payment Dates:                               | [•]  |
| (iii) Business Day Convention:                                       | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention]                   |
| (iv) Business Centre(s) (Condition 1(a)):                            | [•] ( <i>please provide all the relevant Business Centres</i> )  |
| (v) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination]   |
| (vi) Interest Period Date(s):  | [Not Applicable/specify dates]   |

|   |   |
|---|---|
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): | Condition [●] shall apply ( <i>Specify the Condition which sets out the applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s)</i> )  |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):            | [Calculation Agent/[●]]   |
| (ix) Screen Rate Determination (Condition 1(a)):  | [Applicable/Not Applicable]   |
| – Reference Rate(s):  | [●]   |
| – Interest Determination Date:  | [●]/[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]  |
| – Relevant Screen Page(s):  | [●]   |
| – Location of Reference Banks:  | [●]/As per the Conditions]  |
| (x) ISDA Determination (Condition 1(a)):  | [Applicable/Not Applicable]   |
| – Floating Rate Option(s):  | [●]   |
| – Designated Maturity(ies):   | [●]   |
| – Reset Date:   | [●]   |
| (xi) Applicable Rate:   | [●]   |
| (xii) Gearing Factor:   | [●]   |
| (xiii) n:   | [●]   |
| (xiv) Previous Coupon:  | [Applicable/Not Applicable/The Previous Coupon shall be calculated by reference to the Interest Period commencing on [●]]<br>[In respect of the Interest Period Commencing on the Interest Commencement Date, the Previous Coupon is [●] per cent.] |
| (xv) Margin(s), Margin <sup>1</sup> and/or Margin <sup>2</sup> :                                    | [+/-] [●] per cent. per annum   |
| (xvi) Minimum Rate of Interest:   | [●]   |
| (xvii) Maximum Rate of Interest:  | [●]   |
| (xviii) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA]  |

#### **PROVISIONS RELATING TO REDEMPTION**

##### **22 Call Option**

|   |  |
|---|--|
| (i) Optional Redemption Date(s):                | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> ) (Refer to Condition [●]) |
| (ii) Optional Redemption Amount(s) of each Note | [●] per Calculation Amount]/[Condition   |

|   |  |   |
|---|--|---|
|   | and method, if any, of calculation of such amount(s):  | [7(d)(ii)]/[7(b)] shall apply]  |
| –   | [Reference Rate:]  | [•]   |
| –   | [Strike Rate:]   | [•]   |
| –   | [X:]   | [•]   |
| –   | [Observation Date:]  | [As per Conditions]/[•]   |
| (iii)   | If redeemable in part:   |   |
|   | Minimum Redemption Amount:   | [•] per Calculation Amount  |
|   | Maximum Redemption Amount:   | [•] per Calculation Amount  |
| (iv)  | Notice period:   | [The Issuer shall give notice of its intention to redeem the Notes not less than [15] nor more than [30] days prior to the relevant Optional Redemption Date] |
| <b>23</b>   | <b>Put Option</b>  | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i)   | Optional Redemption Date(s):   | [•]   |
| (ii)  | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):   | [[•] per Calculation Amount]/[Condition 7(b) shall apply]   |
| (iii)   | Notice period:   | [The holder shall give notice of its intention to redeem the Notes not less than [15] nor more than [30] days prior to the relevant Optional Redemption Date] |
| <b>24</b>   | <b>Final Redemption Amount of each Note</b>  | [•] per Calculation Amount  |
| <b>25</b>   | <b>Early Redemption Amount</b>   |   |
|   | Early Redemption Amount(s) payable per Calculation Amount on redemption (a) on the occurrence of an event of default (Condition 14) or (b) for illegality (Condition 7(j)) or (c) for taxation reasons (Condition 7(c)): | [[•]/Not Applicable]  |
| <b>26</b>   | <b>Obligatory Redemption</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i)   | Obligatory Redemption Amount:  | [•] per Calculation Amount  |
| (ii)  | Obligatory Redemption Commencement Date:   | [•]   |
| (iii)   | Maximum Interest Amount:   | [•] per Calculation Amount  |
| (iv)  | Notice period:   | [Condition 7(b)(iii)] shall apply/The notice period referred to in Condition 7(b)(iii) shall be [•] [days/Business Days]]                                     |
| <b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b> |  |   |
| <b>27</b>   | <b>Form of Notes</b>   | [Bearer Notes/Exchangeable Bearer Notes/Registered Notes]   |

|           |  |
|-----------|--|
|           | <i>[Delete as appropriate]</i>   |
|           | [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates at any time/in the limited circumstances specified in the permanent Global Note/Certificate]   |
|           | [temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates] <sup>7</sup>  |
|           | [permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates at any time/in the limited circumstances specified in the permanent Global Note/Certificate] <sup>7</sup>  |
|           | [restricted Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the restricted Global Certificate (for Notes issued pursuant to Rule 144A)]  |
|           | [unrestricted] Global Certificate [registered in the name of [a nominee for DTC/a common depositary for Euroclear and Clearstream Luxembourg] [a common safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the NSS)] exchangeable for Definitive Certificates in the limited circumstances specified in the unrestricted Global Certificate (for Notes issued pursuant to Regulation S)] |
|           | New Global Notes: <sup>8</sup>   |
| <b>28</b> | Financial Centre(s) (Condition 11(h)):   |
|           | Not Applicable/Condition 11(h)(i)[(A)/(B)] applies. <i>[Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 17(iv), 18(iv), 19(iv) and 21(iv) relate]</i>  |
| <b>29</b> | Talons for future Coupons or Receipts to be attached to Definitive Notes:  |
|           | [Yes/No]   |
| <b>30</b> | Redenomination, renominalisation and   |
|           | [Not Applicable/The provisions in Condition  |

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<sup>7</sup> The exchange at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note/Certificate exchangeable for Definitive Notes, other than in the limited circumstances specified in the permanent Global Note/Certificate.

<sup>8</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes in NGN form or in the form of Registered Notes to be held under the NSS.

|                              |   |
|------------------------------|---|
| reconventioning provisions:  | [●]]  |
| 31 Consolidation provisions: | [Not Applicable/The provisions in Condition<br>[●]] |

## **GENERAL**

### **[LISTING AND ADMISSION TO TRADING APPLICATION]**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 160,000,000,000 Global Medium-Term Note Programme of Rabobank Nederland.]

### **[THIRD PARTY INFORMATION]**

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

Signed on behalf of the Issuer:

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1 Listing

(i) Listing: [Euronext Amsterdam/Luxembourg Stock Exchange/Other (specify)/None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●]/No application for admission to trading has been made].<sup>9</sup>

(iii) Estimate of total expenses related to admission to trading: [●]

(iv) In the case of Notes listed on Euronext Amsterdam: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(a) Numbering and letters: [The Notes will be numbered from 1 onwards and in the denominations of [currency/amount] and [currency/amount] and will be preceded by the letters [A, AfV, AX, AM, AF]]/[Not Applicable]

(b) Amsterdam Listing Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)

(c) Amsterdam Paying Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)

### 2 Ratings

Rating: [Not Applicable]

[The Notes to be issued [have been]/[are expected to be] rated:]

[Fitch: [●]]

[Fitch Australia: [●]]

[Moody's: [●]]

[Standard & Poor's: [●]]

[[Other: [●]]]

*(the above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*[Need to include a brief explanation of the meaning of the ratings if this has previously*

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<sup>9</sup> Where documenting a fungible issue, indicate that original securities are already admitted to trading.

*been published by the rating provider.]*

*Insert one (or more) of the following options, as applicable:*

**Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).*

**Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:**

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “CRA Regulation”), although notification of the registration decision has not yet been provided.*

**Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/ 2009 (the “CRA Regulation”).*

**Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).*

**Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA**

**Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).

**Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

**3 [Interests of natural and legal persons involved in the [issue/offer]]**

[Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:]

[Save as disclosed in the Base Prospectus,] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

**4 [Reasons for the offer, estimated net proceeds and total expenses]<sup>10</sup>**

(i) Reasons for the offer:

[•]

(See “Use of Proceeds” wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

(ii) Estimated net proceeds:

[•]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses:

[•] [Include breakdown of expenses.]

**5 Yield (Fixed Rate Notes only)**

Indication of yield:

[•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.

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<sup>10</sup> Delete if the minimum denomination is at least €100,000.

**6 Historic interest rates** (Floating Rate Notes, Range Accrual Notes and CMS Linked Notes only)<sup>11</sup>

Details of the past and further performance of [LIBOR/LIBID/LIMEAN/EURIBOR/EONIA/STIBOR/other] can be obtained from [•].

**7 Operational information**

(i) Intended to be held in a manner which would allow Eurosystem eligibility:<sup>12</sup>

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs<sup>13</sup> as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

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<sup>11</sup> Delete if the minimum denomination is at least €100,000.

<sup>12</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes in NGN form.

<sup>13</sup> The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, form *société anonyme*).

|  |   |
|--|---|
| (ii) ISIN:   | [•]   |
| (iii) Common Code:   | [•]   |
| (iv) German WKN-code:  | [•]/Not Applicable  |
| (v) Private Placement number:  | [•]/Not Applicable  |
| (vi) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s): | [Not Applicable/give <i>name(s) and number(s)</i> ]   |
| (vii) The Depository Trust Company   | [Rabobank Nederland only – CUSIP Number]  |
| (viii) Delivery:   | Delivery [against/free of] payment  |
| (ix) Names and addresses of additional Paying/Delivery Agent(s) (if any):                                | Not Applicable/[•]  |
| (x) Names (and addresses) of Calculation Agent(s):   | [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]/[•] |

## 8 Distribution

|  |   |
|--|---|
| (i) Method of distribution:                          | [Syndicated/Non-syndicated]   |
| (ii) If syndicated, names and addresses of Managers: | [Not Applicable/give <i>names and addresses</i> ]<br><br><i>(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or extra information will be required if the managers and underwriters are not the same or if the placing is on a “best efforts” basis if such entities are not the same as the Dealers. Where applicable, set out the material features of any underwriting agreements, including quotas, and where an issue is only partially underwritten, include a statement of the portion not covered.)</i> |
| (iii) Date of Subscription Agreement:                | [•]   |
| (iv) Stabilising Manager(s) (if any):                | [Not Applicable/give <i>names</i> ]   |
| (v) [Managers’/Dealer’s] Commission:                 | [•]   |
| (vi) If non-syndicated, name and address of Dealer:  | [Not Applicable/give <i>names and addresses</i> ]<br><br><i>[If the sole Dealer in respect of Notes issued by Rabobank Nederland is Rabobank International Rabobank International will not subscribe for the</i>  |

*Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from Rabobank International to the subscriber and Rabobank International receives funds from the subscriber on behalf of Rabobank Nederland]*

(vii) Applicable TEFRA exemption:

[C Rules/D Rules/Not Applicable]

(viii) Non-exempt Offer:

[Not Applicable] [An offer of the Notes may be made by the Manager(s) [and [[•]] (together [with the Managers], the **“Initial Authorised Offerors”**) [and any other Authorised Offerors in accordance with paragraph [•] below] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (the **“Public Offer Jurisdictions”**) during the period from [specify date] until [specify date] (the **“Offer Period”**). See further paragraph [9(xii)] below.]

(ix) General Consent:

[Applicable]/[Not Applicable]

## 9 General

(i) Total amount of the offer; if the amount is not fixed, description of the arrangements and time for announcing the definitive amount to the public:

[•]

(ii) Conditions to which the offer is subject:

[Offers of the Notes are conditional on their issue. As between the Authorised Offerors and their customers, offers of the Notes are further subject to conditions as may be agreed between them and/or as specified in the arrangements in place between them.]  
[•]

(iii) Description of the application process:

[A prospective Noteholder should contact the applicable Authorised Offeror in the applicable Public Offer Jurisdiction prior to the end of the Offer Period. A prospective Noteholder will subscribe for the Notes in accordance

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<sup>14</sup> Not applicable if the minimum denomination is at least €100,000.

|   |  |
|---|--|
|   | with the arrangements existing between such Authorised Offeror and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with the Issuer in connection with the subscription of the Notes.] [●]   |
| (iv) Description of possibility to reduce subscriptions:  | [Not Applicable. The terms of the Public Offer do not provide for any reductions of subscriptions.] [●]  |
| (v) Manner for refunding excess amount paid by applicants:  | [Not Applicable. The terms of the Public Offer do not provide for any refunds of excess amounts paid by applicants.] [●]   |
| (vi) Minimum and/or maximum amount of application:  | [There are no pre-identified allotment criteria. The Authorised Offerors will adopt allotment criteria in accordance with customary market practices and applicable laws and regulations.] [●]   |
| (vii) Method and time limit for paying up the securities and for delivery of the Notes:   | [Investors will be notified by the relevant Authorised Offeror of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [●]   |
| (viii) Manner and date on which results of the offer are to be made public:   | [Investors will be notified by the applicable Financial Intermediary of their allocations of Notes and the settlement procedures in respect thereof on or around [date].] [●]  |
| (ix) Procedure for exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: | [Not Applicable. The terms of the Public Offer do not provide for a procedure for the exercise of any right of pre-emption or negotiability of subscription rights.] [●]   |
| (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries.                     | [Offers may be made by the Authorised Offerors in each of the Public Offer Jurisdictions to any person during the Offer Period. In other EEA countries and in all jurisdictions (including the Public Offer Jurisdictions) outside of the Offer Period, offers will only be made by the [Managers] pursuant to an exemption under the Prospectus Directive, as implemented in such |

(xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: countries. All offers of the Notes will be made in compliance with all applicable laws and regulations.] [•]

[A prospective Noteholder will receive 100 per cent. of the amount of the Notes allocated to it at the end of the Offer Period. Prospective Noteholders will be notified by the applicable Authorised Offeror in accordance with the arrangements in place between such Authorised Offeror and the prospective Noteholders. No dealings in the Notes on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC may take place prior to the Issue Date.] [•]

(xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable. The terms of the Public Offer do not provide for any expenses and/or taxes to be charged to any subscriber and/or purchaser of the Notes.] [•]

(xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: The Initial Authorised Offerors identified in paragraph [•] above [and any additional Authorised Offerors who have or obtain the Issuer's consent to use the Prospectus in connection with the Public Offer and who are identified on the Issuer's website as an Authorised Offeror] (together, the "Authorised Offerors").

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "Income Tax Act") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]<sup>15</sup>

[Rabobank Singapore Branch, as issuer of the Notes, is subject to restrictions on the acceptance of deposits in Singapore dollars. The Notes do not constitute or evidence a debt repayable by Rabobank Singapore Branch on demand to the Noteholder. The Noteholder may recover the principal sum from Rabobank Singapore Branch subject to the Terms and Conditions of the Notes

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<sup>15</sup> To be inserted where the Notes are "qualifying debt securities" under the Income Tax Act, Chapter 134 of Singapore, and the Notes are issued by Rabobank Singapore Branch.

as set out in the Base Prospectus. The value of the Notes, if sold on the secondary market, is subject to the market conditions prevailing at the time of the sale.]<sup>16</sup>

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<sup>16</sup> To be inserted when the Notes are issued by Rabobank Singapore Branch, denominated in Singapore dollars, issued to sophisticated investors (as defined in the Guidelines for Operation of Wholesale Banks issued by the Monetary Authority of Singapore) or their nominees and Rabobank Singapore Branch reasonably expects or foresees that the Notes will not be held at all times by persons who are sophisticated investors.

## SUMMARY OF THE NOTES<sup>17</sup>

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary relating to the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the Notes and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary and marked as “Not applicable”.

| <b>Section A - Introduction and warnings</b> |  |  |
|--|--|--|
| <b>A.1</b>                                   |  | <p>This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of Member States of the European Economic Area where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>  |
| <b>A.2</b>                                   |  | <p><b>Consent:</b> Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus in connection with a Public Offer (as defined below) of Notes by the Manager[s], [•,] [and] [each financial intermediary whose name is published on the Issuer's website, (<a href="http://www.rabobank.com">www.rabobank.com</a>), and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under the applicable legislation implementing Directive 2004/39/EC (the “<b>Markets in Financial Instruments Directive</b>”)] and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p><i>“We, [insert legal name of financial intermediary], refer to the [insert title of relevant PD Notes] (the “<b>Notes</b>”) described in the Final Terms dated [insert date] (the “<b>Final Terms</b>”) published by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) [Australia Branch]/[Singapore Branch] (the “<b>Issuer</b>”). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom] (the “<b>Public Offer</b>”) in accordance with the Authorised Offeror Terms and subject to the conditions to such</i></p> |

<sup>17</sup> Insert for Tranches of Non-Exempt PD Notes only.

|  |  |   |
|--|--|---|
|  |  | <p><i>consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Public Offer accordingly.</i></p> <p>A “<b>Public Offer</b>” of Notes is an offer of Notes (other than pursuant to Article 3(2) of the Prospectus Directive) in <i>[Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom]</i> during the Offer Period specified below. Those persons to whom the Issuer gives its consent in accordance with the foregoing provisions are the “<b>Authorised Offerors</b>” for such Public Offer.</p> <p><i>Offer Period:</i> The Issuer’s consent referred to above is given for Public Offers of Notes during the period from [●] to [●] (the “<b>Offer Period</b>”).</p> <p><i>Conditions to consent:</i> The conditions to the Issuer’s consent [(in addition to the conditions referred to above)] are such that consent (a) is only valid in respect of the relevant Tranche of Notes; (b) is only valid during the Offer Period; [and] (c) only extends to the use of the Base Prospectus to make Public Offers of the relevant Tranche of Notes in <i>[Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom]</i> [and (d) [●]].</p> <p>An investor intending to acquire or acquiring Notes in a Public Offer from an Authorised Offeror other than the Issuer will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations, expenses, and settlement arrangements.</p> <p><b>Each investor must look to the relevant Authorised Offeror at the time of any such Public Offer for the provision of information regarding the terms and conditions of the Public Offer and the Authorised Offeror will be solely responsible for such information.</b></p> |
|--|--|---|

| Section B - Issuer |   |   |
|--------------------|---|---|
| <b>B.1</b>         | <b>The legal and commercial name of the Issuer:</b>   | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), including issuing through:<br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch<br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch<br>The commercial name of the Issuer is “Rabobank”. |
| <b>B.2</b>         | <b>The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:</b> | The Issuer has its statutory seat in Amsterdam, is a cooperative entity ( <i>coöperatie</i> ) and is registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands under number 30046259. The Issuer operates under the laws of the Netherlands.  |
| <b>B.4b</b>        | <b>A description of any</b>   | Rabobank Group’s results of operations are affected by a variety of   |

|   | <b>known trends affecting the Issuer and the industries in which it operates:</b>    | market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. A decline in the stock markets could adversely affect Rabobank Group's results of operations and its financial assets.<br><br>The Issuer expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in 2013, with a corresponding impact on Rabobank Group's results.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
|---|--|---|--|-------------------------------|--|--|-------------|-------------|--|----------------------|--|---------------------------------|--------|--------|---------------------------|--------|--------|-------------------------------|-------|-------|---|-------|-------|------------------------------------|--------|--------|--------------------------|---------|---------|---|--------|--------|---|---|-----|---------------------------------|-------|-------|-------------------------|-------|-------|-----------------------------|-------|-------|----------------------------|-------|-----|--------------------------|-----|-----|---------------------------|-----|-----|--------------------|--------|--------|
| <b>B.5</b>  | <b>Description of the Issuer's Group and the Issuer's position within the Group:</b> | Rabobank Group is an international financial services provider, operating on the basis of cooperative principles. Rabobank Group is comprised of the Issuer as central institution, its members, being the local Rabobanks in the Netherlands and its subsidiaries and participations in the Netherlands and abroad.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| <b>B.9</b>  | <b>Profit forecast or estimate:</b>  | Not Applicable. The Issuer has not made any public profit forecasts or profit estimates.  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| <b>B.10</b>   | <b>Qualifications in the Auditors' report:</b>                                       | Not Applicable. The audit reports on the Issuer's audited financial statements for the years ended 31 December 2011 and 31 December 2012 are unqualified.   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| <b>B.12</b>   | <b>Selected Financial Information:</b>   | <p>The following summary financial data is derived from, is qualified by reference to, and should be read in conjunction with, Rabobank Group's audited consolidated financial statements as at, and for the years ended, 31 December 2011 and 2012.</p> <p><b><i>Consolidated statement of financial position:</i></b></p> <table> <thead> <tr> <th></th> <th colspan="2"><b>Year ended 31 December</b></th> </tr> <tr> <th></th> <th><b>2012</b></th> <th><b>2011</b></th> </tr> <tr> <th></th> <th colspan="2"><i>(EUR million)</i></th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents .....</td> <td>68,103</td> <td>70,430</td> </tr> <tr> <td>Due from other banks.....</td> <td>35,386</td> <td>25,221</td> </tr> <tr> <td>Trading financial assets.....</td> <td>6,387</td> <td>8,112</td> </tr> <tr> <td>Other financial assets at fair value through profit or loss .....</td> <td>5,911</td> <td>7,015</td> </tr> <tr> <td>Derivative financial instruments..</td> <td>65,423</td> <td>58,973</td> </tr> <tr> <td>Loans to customers .....</td> <td>485,299</td> <td>468,085</td> </tr> <tr> <td>Available-for-sale financial assets .....</td> <td>50,425</td> <td>51,930</td> </tr> <tr> <td>Held-to-maturity financial assets .....</td> <td>0</td> <td>109</td> </tr> <tr> <td>Investments in associates .....</td> <td>3,649</td> <td>3,340</td> </tr> <tr> <td>Intangible assets .....</td> <td>2,343</td> <td>2,802</td> </tr> <tr> <td>Property and equipment.....</td> <td>6,500</td> <td>6,132</td> </tr> <tr> <td>Investment properties.....</td> <td>1,489</td> <td>784</td> </tr> <tr> <td>Current tax assets .....</td> <td>597</td> <td>571</td> </tr> <tr> <td>Deferred tax assets .....</td> <td>621</td> <td>995</td> </tr> <tr> <td>Other assets .....</td> <td>11,939</td> <td>12,210</td> </tr> </tbody> </table> |  | <b>Year ended 31 December</b> |  |  | <b>2012</b> | <b>2011</b> |  | <i>(EUR million)</i> |  | Cash and cash equivalents ..... | 68,103 | 70,430 | Due from other banks..... | 35,386 | 25,221 | Trading financial assets..... | 6,387 | 8,112 | Other financial assets at fair value through profit or loss ..... | 5,911 | 7,015 | Derivative financial instruments.. | 65,423 | 58,973 | Loans to customers ..... | 485,299 | 468,085 | Available-for-sale financial assets ..... | 50,425 | 51,930 | Held-to-maturity financial assets ..... | 0 | 109 | Investments in associates ..... | 3,649 | 3,340 | Intangible assets ..... | 2,343 | 2,802 | Property and equipment..... | 6,500 | 6,132 | Investment properties..... | 1,489 | 784 | Current tax assets ..... | 597 | 571 | Deferred tax assets ..... | 621 | 995 | Other assets ..... | 11,939 | 12,210 |
|   | <b>Year ended 31 December</b>  |   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
|   | <b>2012</b>  | <b>2011</b>   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
|   | <i>(EUR million)</i>   |   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Cash and cash equivalents .....                                   | 68,103   | 70,430  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Due from other banks.....   | 35,386   | 25,221  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Trading financial assets.....                                     | 6,387  | 8,112   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Other financial assets at fair value through profit or loss ..... | 5,911  | 7,015   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Derivative financial instruments..                                | 65,423   | 58,973  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Loans to customers .....  | 485,299  | 468,085   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Available-for-sale financial assets .....                         | 50,425   | 51,930  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Held-to-maturity financial assets .....                           | 0  | 109   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Investments in associates .....                                   | 3,649  | 3,340   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Intangible assets .....   | 2,343  | 2,802   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Property and equipment.....                                       | 6,500  | 6,132   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Investment properties.....  | 1,489  | 784   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Current tax assets .....  | 597  | 571   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Deferred tax assets .....   | 621  | 995   |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |
| Other assets .....  | 11,939   | 12,210  |  |                               |  |  |             |             |  |                      |  |                                 |        |        |                           |        |        |                               |       |       |   |       |       |                                    |        |        |                          |         |         |   |        |        |   |   |     |                                 |       |       |                         |       |       |                             |       |       |                            |       |     |                          |     |     |                           |     |     |                    |        |        |

|                               |  |                      |                |
|-------------------------------|--|----------------------|----------------|
|                               | Non-current assets held for sale and discontinued operations .....     | 8,338                | 14,956         |
|                               | <b>Total assets</b> .....  | <b>752,410</b>       | <b>731,665</b> |
| <b><i>Liabilities:</i></b>    |  |                      |                |
| <b>As at 31 December</b>      |  |                      |                |
|                               |  | <b>2012</b>          | <b>2011</b>    |
|                               |  | <i>(EUR million)</i> |                |
|                               | Due to other banks .....   | 27,059               | 26,259         |
|                               | Due to customers .....   | 334,271              | 329,892        |
|                               | Debt securities in issue .....   | 223,336              | 213,441        |
|                               | Derivative financial instruments and other trade liabilities .....     | 74,800               | 64,931         |
|                               | Other debts.....   | 9,950                | 8,422          |
|                               | Other financial liabilities at fair value through profit or loss ..... | 24,091               | 25,889         |
|                               | Provisions.....  | 752                  | 765            |
|                               | Current tax liabilities .....  | 205                  | 324            |
|                               | Deferred tax liabilities .....   | 696                  | 893            |
|                               | Subordinated debt.....   | 5,407                | 2,413          |
|                               | Liabilities held for sale .....  | 7,216                | 13,435         |
|                               | <b>Total liabilities</b> .....   | <b>707,783</b>       | <b>686,664</b> |
| <b><i>Equity:</i></b>         |  |                      |                |
| <b>Year ended 31 December</b> |  |                      |                |
|                               |  | <b>2012</b>          | <b>2011</b>    |
|                               |  | <i>(EUR million)</i> |                |
|                               | Equity of Rabobank Nederland and local Rabobanks .....                 | 27,858               | 26,500         |
|                               | Equity instruments issued directly                                     |                      |                |
|                               | Rabobank Member Certificates..   | 6,672                | 6,614          |
|                               | Capital Securities .....   | 7,114                | 7,645          |
|                               |  | 41,644               | 40,759         |
|                               | Equity instruments issued by subsidiaries                              |                      |                |
|                               | Capital Securities .....   | 236                  | 167            |
|                               | Trust Preferred Securities III to VI .....                             | 1,340                | 1,399          |
|                               |  | 1,576                | 1,566          |

|   |                |                |
|---|----------------|----------------|
| Other non-controlling interests ...       | 1,407          | 2,676          |
| Total equity.....                         | 44,627         | 45,001         |
| <b>Total equity and liabilities .....</b> | <b>752,410</b> | <b>731,665</b> |

**Consolidated statement of income:**

**As at 31 December**

|   | <b>2012</b>          | <b>2011</b>   |
|---|----------------------|---------------|
|   | <b>(restated)</b>    |               |
|   | <i>(EUR million)</i> |               |
| Interest income.....  | 21,702               | 21,299        |
| Interest expense.....   | 12,605               | 12,125        |
| <b>Interest .....</b>   | <b>9,097</b>         | <b>9,174</b>  |
| Commission income .....   | 2,553                | 2,726         |
| Commission expense .....  | 347                  | 365           |
| <b>Fees and commission.....</b>   | <b>2,206</b>         | <b>2,361</b>  |
| Income from associates .....  | 255                  | (20)          |
| Net income from financial assets and liabilities at fair value through profit or loss ..... | 823                  | 657           |
| Gains/(losses) on available-for-sale financial assets .....                                 | 114                  | (174)         |
| Other income .....  | 957                  | 708           |
| <b>Income.....</b>  | <b>13,452</b>        | <b>12,706</b> |
| Staff costs.....  | 5,325                | 4,862         |
| Other administrative expenses...  | 2,979                | 2,850         |
| Depreciation and amortisation....   | 527                  | 540           |
| <b>Operating expenses .....</b>   | <b>8,831</b>         | <b>8,252</b>  |
| Value adjustments.....  | 2,350                | 1,606         |
| Bank tax .....  | 196                  | —             |
| Operating profit before taxation..  | 2,075                | 2,848         |
| Income tax expense .....  | 160                  | 355           |
| Net profit from continuing operations.....  | 1,915                | 2,493         |
| Net profit from discontinued operations.....  | 197                  | 134           |
| <b>Net profit .....</b>   | <b>2,112</b>         | <b>2,627</b>  |
| Of which attributable to Rabobank Nederland and local Rabobanks .....                       | 897                  | 1,549         |
| Of which attributable to holders of Rabobank Member   | 328                  | 315           |

|             |  |   |              |              |
|-------------|--|---|--------------|--------------|
|             |  | Certificates .....  |              |              |
|             |  | Of which attributable to Capital Securities.....  | 717          | 612          |
|             |  | Of which attributable to Trust Preferred Securities III to VI .....   | 75           | 73           |
|             |  | Of which attributable to non-controlling interests .....  | 95           | 78           |
|             |  | <b>Net profit for the year.....</b>   | <b>2,112</b> | <b>2,627</b> |
|             |  | <b><i>Material/significant change</i></b>   |              |              |
|             |  | There has been no significant change in the financial or trading position of the Issuer or of Rabobank Group, and there has been no material adverse change in the financial position or prospects of the Issuer or of Rabobank Group, since 31 December 2012.  |              |              |
| <b>B.13</b> | <b>Recent material events particular to the Issuer's solvency:</b>                   | Not Applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.   |              |              |
| <b>B.14</b> | <b>Extent to which the Issuer is dependent upon other entities within the Group:</b> | The Issuer is a cooperative with members. Its members are local cooperative Rabobanks who are represented in the Central Delegates Assembly and the General Meeting of Rabobank Nederland. The Central Delegates Assembly has a significant influence on the views adopted in Rabobank Group. The General Meeting of Rabobank Nederland is the body through which all local Rabobanks can exercise direct control. The General Meeting of Rabobank Nederland deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations and the appointment of members of the Supervisory Board. The financial performance of the Issuer is dependent upon the performance of the independent local Rabobanks and the subsidiaries within Rabobank Group. |              |              |
| <b>B.15</b> | <b>Principal activities of the Issuer:</b>   | Rabobank Group's operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri.   |              |              |
| <b>B.16</b> | <b>Extent to which the Issuer is directly or indirectly owned or controlled:</b>     | The Issuer is not directly owned or controlled.   |              |              |
| <b>B.17</b> | <b>Credit ratings assigned to the Issuer or its debt securities:</b>                 | The Notes to be issued [are not]/[have been]/[are expected to be] specifically rated [●] by [●].  |              |              |

| Section C – Securities |  |   |
|------------------------|--|---|
| C.1                    | <b>Type and class of the Notes:</b>  | <p>Series Number: [●]</p> <p>Tranche Number: [●]</p> <p>Aggregate Nominal Amount:</p> <p>[(i)] Series: [●]</p> <p>[(ii)] Tranche: [●]</p> <p>Form of Notes: [●]]</p> <p>ISIN Code: [●]</p> <p>Common Code: [●]</p>  |
| C.2                    | <b>Currencies:</b>   | The Specified Currency of the Notes is [●].   |
| C.5                    | <b>A description of any restrictions on the free transferability of the Notes:</b> | <p>The Issuer and the [Dealer/Manager(s)] have agreed certain customary restrictions on offers, sale and delivery of Notes and of the distribution of offering material in <i>[insert relevant jurisdictions]</i>.</p> <p>U.S. selling restrictions: Reg. S Compliance Category 2. TEFRA [C/TEFRA D/TEFRA not applicable]</p>   |
| C.8                    | <b>Description of the rights attached to the Notes:</b>                            | <p><b>Ranking (status):</b></p> <p>The Notes and the Receipts and Coupons relating to them will constitute unsubordinated and (subject to the negative pledge described below) unsecured obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and with all other present or future (subject as aforesaid) unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may be provided by applicable law).</p> <p><b>Negative pledge:</b></p> <p>So long as any of the Notes, Receipts or Coupons remain outstanding, the Issuer has undertaken not to secure any of its other indebtedness, whether present or future, which is both (a) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (b) not Domestic Indebtedness.</p> <p><b>“Domestic Indebtedness”</b> means the indebtedness as referred to under (a) above of the Issuer which is denominated or payable (at the option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside the Netherlands.</p> <p><b>Taxation:</b></p> <p>All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands (in the case of Rabobank Nederland, Rabobank Australia Branch and Rabobank Singapore Branch), Australia (in the case of Rabobank Australia Branch) and Singapore (in the case of Rabobank Singapore Branch), or any authority therein or thereof having power to tax, unless</p> |

such withholding or deduction is required by law. In that event, the Issuer shall, save in certain limited circumstances, pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required.

**Events of Default:**

The terms of the Notes contain the following events of default:

- (a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Notes;
- (b) the Issuer fails to observe or perform any of its other obligations under the Notes and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;
- (c) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer, provided that, in each case, no event of default shall be deemed to have occurred if the Issuer shall contest its liability in good faith or shall have been ordered not to make such payment by a competent court;
- (d) 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 Noteholders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of Rabobank Nederland, Rabobank Australia Branch or Rabobank Singapore Branch;
- (e) the Issuer compromises with its creditors generally or such measures are officially decreed; and
- (f) the Issuer shall cease to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

**Meetings:**

Meetings of Noteholders may be convened to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Notes including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.

|     |  |  |
|-----|--|--|
|     |  | <p><b>Governing law:</b></p> <p>The Notes, the Receipts, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, the laws of the Netherlands.</p> <p><b>Issue Price:</b></p> <p>[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]</p>  |
| C.9 | <p><b>Interest, maturity and redemption provisions, yield and representative of the Noteholders:</b></p> | <p><i>(Complete the relevant section and delete those which are not applicable)</i></p> <p><b>[Fixed Rate Notes:</b></p> <p>The Notes are Fixed Rate Notes. The Notes bear interest from [●] at a rate of [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear on [●] in each year.</p> <p>Indication of yield: [●] per cent. per annum.]</p> <p><b>[Floating Rate Notes:</b></p> <p>The Notes are Floating Rate of Notes. The Notes will bear a floating rate of interest from [●] of [LIBOR/EURIBOR/EONIA/LIBID /LIMEAN/STIBOR] [+/-] [●] per cent.] [per annum] payable [annually/semi-annually/quarterly/monthly] in arrear on [●] in each year, subject to adjustment in accordance with the [●] Business Day Convention.]</p> <p><b>[Zero Coupon Notes:</b></p> <p>The Notes are Zero Coupon Notes and do not bear interest. The Amortisation Yield is [●] per cent. per annum.]</p> <p><b>[CMS Linked Notes:</b></p> <p>The Notes are CMS Linked Notes. The Notes will bear interest in accordance with the following formula:</p> <p><i>[Insert relevant formula from Condition 6(e)]</i></p> <p>Where:</p> <p>“Applicable Rate” means [●];</p> <p>“CMS Rate”, “CMS Rate<sub>1</sub>” and “CMS Rate<sub>2</sub>” means [●], [●] and [●] respectively;</p> <p>“Gearing Factor” means [●];</p> <p>“Margin<sub>1</sub>” [and “Margin<sub>2</sub>”] means [●] [and [●]] respectively;] [and]</p> <p>“n” means [●].]</p> <p><b>[Range Accrual Notes:</b></p> <p>The Notes are Range Accrual Notes. The Notes will bear interest in accordance with the following formula:</p> <p><i>[Insert relevant formula from Condition 6(f)]</i></p> <p>Where:</p> |

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|  | <p>[“<b>Accrual Range</b>” means [●];]<br/> [“<b>Applicable Rate</b>” means [●];]<br/> [“<b>Gearing Factor</b>” means [●];] [and]<br/> [“<b>Minimum Applicable Rate</b>” means [●].]</p> <p><b><i>Maturity:</i></b><br/> The maturity date of the Notes is [[●]/the Interest Payment Date falling in or nearest to [●]]. Unless redeemed or purchased and cancelled earlier, the Issuer will redeem the Notes on the maturity date at [●] per cent. of their nominal amount.</p> <p><b><i>Early Redemption:</i></b><br/> The Issuer may elect to redeem the Notes prior to the maturity date (i) in certain circumstances for tax reasons or (ii) where it determines in good faith that the performance of its obligations under the Notes or that any arrangements made to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.<br/> In addition, if so specified below, the Notes may be redeemed prior to their maturity date in certain circumstances, including pursuant to an Issuer call option, an investor put option or an Issuer obligatory redemption option.</p> |
|  | <p><b><i>Issuer call option:</i></b> [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)</p> <p>Optional Redemption Date(s): [●]</p> <p>Optional Redemption Amount(s): [●] per Calculation Amount/Condition 6(b) applies</p> <p>    Reference Rate: [●]</p> <p>    Strike Rate: [●]</p> <p>    X: [●]</p> <p>    Observation Date: [●]</p> <p>If redeemable in part:</p> <p>    Minimum Redemption Amount: [●] per Calculation Amount</p> <p>    Maximum Redemption Amount: [●] per Calculation Amount</p> <p>    Notice Period: [●]</p> <p><b><i>Investor put option:</i></b> [Applicable/Not Applicable] (<i>If not applicable,</i></p>   |

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|             |   | <p><i>delete the remaining sub-paragraphs of this paragraph)</i></p> <p>Optional Redemption Date(s): [•]</p> <p>Optional Redemption Amount(s): [•] per Calculation Amount/Condition 6(b) applies</p> <p>Notice Period: [•]</p> <p><b><i>Obligatory Redemption option:</i></b> [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Obligatory Redemption Amount: [•] per Calculation Amount</p> <p>(ii) Obligatory Redemption Commencement Date: [•]</p> <p>(iii) Maximum Interest Amount: [•] per Calculation Amount</p> <p>(iv) Notice period: [Condition 7(b)(iii)] shall apply]/The notice period referred to in Condition 7(b)(iii) shall be [•] [days/Business Days]]</p> <p><b><i>Fiscal Agent:</i></b><br/>Deutsche Bank AG, London Branch</p> |
| <b>C.10</b> | <b>Derivative component in interest payments:</b> | Not Applicable. The Notes do not contain any derivative components.  |
| <b>C.11</b> | <b>Listing and admission to trading:</b>          | [Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•]/[Not Applicable. The Notes are not intended to be admitted to trading.]  |

| <b>Section D – Summary Risk Factors</b> |  |  |
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| <b>D.2</b>                              | <b>Key information on the key risks that are specific to the Issuer:</b> | <p>In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.</p> <p>These factors include:</p> |

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|     |   | <ul style="list-style-type: none"> <li>• business and general economic conditions;</li> <li>• credit risk;</li> <li>• country risk;</li> <li>• interest rate and inflation risk;</li> <li>• funding and liquidity risk;</li> <li>• market risk;</li> <li>• currency risk;</li> <li>• operational risk;</li> <li>• legal risk;</li> <li>• tax risk;</li> <li>• systemic risk;</li> <li>• effect of governmental policy and regulation;</li> <li>• minimum regulatory capital and liquidity requirements;</li> <li>• credit ratings;</li> <li>• competition;</li> <li>• business environment;</li> <li>• terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events; and</li> <li>• the loss of key employees.</li> </ul>   |
| D.3 | <b>Key information on the key risks that are specific to the Notes:</b> | <p>There are also risks associated with the Notes. These include:</p> <ul style="list-style-type: none"> <li>• <i>Market risk</i>: a range of market risks, including: <ul style="list-style-type: none"> <li>• there may be no or only a limited secondary market in the Notes;</li> <li>• an optional redemption feature of Notes is likely to limit their market value; and</li> <li>• [any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes].<sup>18</sup></li> </ul> </li> <li>• <i>Modification without consent</i>: the conditions of the Notes may be modified without the consent of the holder in certain circumstances.</li> <li>• <i>Withholding tax risk</i>: the holders may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable laws.</li> <li>• <i>Change in law</i>: investors are exposed to the risk of changes in laws or regulations affecting the value of the Notes.</li> <li>• <i>Exchange rate risk</i>: an investor's investment may be adversely affected by exchange rate movements.</li> <li>• <i>Interest rate risks</i>: [a holder of the Notes is exposed to the risk</li> </ul> |

<sup>18</sup> Delete if the Notes are not rated.

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|  |  | <p>that the price of the Notes falls as a result of changes in the market interest rate.]<sup>19</sup> [A holder of the Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of the Notes in advance.]<sup>20</sup></p> <ul style="list-style-type: none"> <li>• [Notes issued at a discount: the market values of the Notes (having been issued at a substantial discount from their principal amount) tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.]<sup>21</sup></li> <li>• [Include any risks which are specific to the Notes being issued]</li> </ul> |
|--|--|---|

| Section E – Offer |   |  |  |
|-------------------|---|--|--|
| <b>E.2b</b>       | <b>Reasons for the offer and use of proceeds:</b> | [The net proceeds from each issue of Notes will be used by the Issuer in connection with its banking business.]/[•]  |  |
| <b>E.3</b>        | <b>Terms and Conditions of the Offer:</b>         | <p>(i) Conditions to which the offer is subject: [Offers of the Notes are conditional on their issue. As between the Authorised Offerors and their customers, offers of the Notes are further subject to conditions as may be agreed between them and/or as specified in the arrangements in place between them.] [•]</p> <p>(ii) Description of the application process: [A prospective Noteholder should contact the applicable Authorised Offeror in the applicable Public Offer Jurisdiction prior to the end of the Offer Period. A prospective Noteholder will subscribe for the Notes in accordance with the arrangements existing between such Authorised Offeror and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with the Issuer in connection with the subscription of the Notes.] [•]</p> <p>(iii) Description of possibility to reduce subscriptions: [Not Applicable. The terms of the Public Offer do not provide for any reduction of subscriptions.] [•]</p> <p>(iv) Manner for refunding excess amount paid [Not Applicable. The terms of the Public Offer do not provide for any refunds of excess amounts paid by applicants.] [•]</p> |  |

<sup>19</sup> Include only for Fixed Rate Notes.

<sup>20</sup> Include only for Floating Rate Notes, CMS Linked Notes and Range Accrual Notes.

<sup>21</sup> Include only for Zero Coupon Notes.

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|  |  | <p>by applicants:</p> <p>(v) Minimum and/or maximum amount of application: [There are no pre-identified allotment criteria. The Authorised Offerors will adopt allotment criteria in accordance with customary market practices and applicable laws and regulations.] [●]</p> <p>(vi) Method and time limit for paying up the securities and for delivery of the Notes: [Investors will be notified by the relevant Authorised Offeror of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [●]</p> <p>(vii) Manner and date on which results of the offer are to be made public: [Investors will be notified by the applicable Authorised Offeror of their allocations of Notes and the settlement procedures in respect thereof.] [●]</p> <p>(viii) Procedure for exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [Not Applicable. The terms of the Public Offer do not provide for a procedure for the exercise of any right of pre-emption or negotiability of subscription rights.] [●]</p> <p>(ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Offers may be made by the Authorised Offerors in each of the Public Offer Jurisdictions to any person during the Offer Period. In other EEA countries and in all jurisdictions (including the Public Offer Jurisdictions) outside of the Offer Period, offers will only be made by the [Managers] pursuant to an exemption under the Prospectus Directive, as implemented in such countries. All offers of the Notes will be made in compliance with all applicable laws and regulations.] [●]</p> <p>(x) Process for notification to applicants of the amount allotted and the indication whether</p> |
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|            |   |   |  |
|------------|---|---|--|
|            |   | <p>dealing may begin before notification is made:</p> <p>(xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p> <p>(xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</p> | <p>dealings in the Notes on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC may take place prior to the Issue Date.] [●]</p> <p>[Not Applicable. The terms of the Public Offer do not provide for any expenses and/or taxes to be charged to any subscriber and/or purchaser of the Notes.] [●]</p> <p>The Initial Authorised Offerors identified in paragraph [●] above [and any additional Authorised Offerors who have or obtain the Issuer's consent to use the Prospectus in connection with the Public Offer and who are identified on the Issuer's website as an Authorised Offeror] (together, the <b>"Authorised Offerors"</b>).</p> |
| <b>E.4</b> | <b>Interests of natural and legal persons involved in the issue of the Notes:</b> | [So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]/[●]  |  |
| <b>E.7</b> | <b>Estimated expenses charged to the investor by the Issuer or the offeror:</b>   | [There are no expenses charged to the investor by the Issuer]/[The following expenses are to be charged to the investor by [the Issuer/[●]]]  | [●]  |

## **FORM OF FINAL TERMS WITH RESPECT TO EXEMPT NOTES**

### **FINAL TERMS COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND)**

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

### **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND) AUSTRALIA BRANCH**

(Australian Business Number 70 003 917 655)

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

### **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND) SINGAPORE BRANCH**

(Singapore Company Registration Number S86FC3634A)

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

EUR 160,000,000,000

Global Medium-Term Note Programme

Due from seven days to perpetuity

**SERIES NO: [•]**

**TRANCHE NO: [•]**

**[•] Notes due [•] (the “Notes”)**

Issue Price: [•] per cent.

[Publicity Name(s) of Dealer(s)]

The date of these Final Terms is [•]

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 8 May 2013 [and the supplemental prospectus dated [●]] ([together,] the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office in England of the Arranger and of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the offering circular/base prospectus dated [original date] (the “**Conditions**”), which are incorporated by reference in the base prospectus dated 8 May 2013 [and the supplemental prospectus dated [●]] ([together,] the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus and the Conditions. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus and the Conditions, contains all information that is material in the context of the issue of the Notes. The Base Prospectus is available for viewing at, and copies may be obtained from Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office in England of the Arranger and of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).

*[The following alternative language applies if Notes are issued pursuant to Rule 144A.]*

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE HAVE 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 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 PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) 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 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 NOTES REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE]

**Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value**

**of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.**

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs, save in respect of the items in Part B, which may be deleted in accordance with the relevant footnotes. Italics denote guidance for completing the Final Terms.]*

|          |  |   |
|----------|--|---|
| <b>1</b> | Issuer:  | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) <sup>22</sup>  |
|          |  | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch  |
|          |  | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Singapore Branch]   |
| <b>2</b> | (i) Series Number:   | [•]   |
|          | (ii) Tranche Number:   | [•]   |
|          |  | [(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]   |
| <b>3</b> | Specified Currency or Currencies:                                      | [•]   |
| <b>4</b> | Aggregate nominal amount:  |   |
|          | (i) Series:  | [•]   |
|          | (ii) Tranche:  | [•]   |
| <b>5</b> | Issue Price:   | [•] per cent. of the aggregate nominal amount [plus accrued interest from [insert date] (if applicable)]  |
| <b>6</b> | (i) Specified Denominations: <sup>23</sup>                             | [•]   |
|          | (ii) Calculation Amount:   | [•]   |
| <b>7</b> | (i) Issue Date:  | [•]   |
|          | (ii) Interest Commencement Date<br>(if different from the Issue Date): | [[•]/Not Applicable]  |
| <b>8</b> | Maturity Date:   | <i>[specify date (or indicate if Notes are perpetual) or (for Floating Rate Notes) Specified Interest Payment Date falling in or nearest to the relevant month and year]</i><br><i>(N.B. it will be necessary to use the second</i> |

<sup>22</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes to NGN form.

<sup>21</sup> Although Rabobank may issue Notes with a denomination of less than €100,000 or equivalent, where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."

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|           |  | <i>option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification)</i>   |
| <b>9</b>  | Domestic Note (if Domestic Note, there will be no gross-up for withholding tax): | [No/Yes]  |
| <b>10</b> | Interest Basis:  | <p>[<math>\bullet</math>] per cent. Fixed Rate]</p> <p>[<i>specify reference rate</i>] +/- [<math>\bullet</math>] per cent. Floating Rate]</p> <p>[Inverse Floating Rate]</p> <p>[Range Accrual]</p> <p>[Zero Coupon]</p> <p>[CMS Linked]</p> <p>[Index Linked Interest]</p> <p>[Equity Linked Interest]</p> <p>[FX Linked Interest]</p> <p>[Other (<i>specify</i>)]</p> <p>[further particulars specified below]</p> |
| <b>11</b> | Redemption/Payment Basis:  | <p>[Redemption at par]</p> <p>[Index Linked Redemption]</p> <p>[Equity Linked Redemption]</p> <p>[FX Linked Redemption]</p> <p>[Interest Linked Redemption]</p> <p>[Dual Currency]</p> <p>[Partly Paid]</p> <p>[Instalment]</p> <p>[Protection Amount]</p> <p>[Other (<i>specify</i>)]</p> <p>[The Final Redemption Amount shall be determined as provided below.]</p>  |
| <b>12</b> | Change of Interest or Redemption/Payment Basis:                                  | <i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis, including any dates upon which the Issuer may elect to change the Interest Basis pursuant to Condition 6(c)]</i>  |
| <b>13</b> | Alternative Currency Equivalent:   | <p>[Not Applicable/Applicable. Condition 11(i)[<math>\bullet</math>] applies (<i>Specify applicable sub-paragraphs of Condition 11(i) which apply</i>)]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i></p> <p>(i) Alternative Currency: [<math>\bullet</math>]</p> <p>(ii) Alternative Currency Adjudication Agent: [<math>\bullet</math>]</p>                             |

|           |  |   |
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| (iii)     | Alternative Currency Calculation Agent:            | [•]   |
| (iv)      | Rate Calculation Jurisdiction:                     | [•]   |
| (v)       | Rate Calculation Business Days:                    | [•]   |
| (vi)      | Specified Time:                                    | [•]   |
| (vii)     | Scheduled Payment Currency Disruption Events:      | As specified in the Conditions [and] <i>[specify additional currency disruption events]</i>                                   |
| (viii)    | Settlement Rate Option:                            | [•]   |
| (ix)      | USD Settlement Rate Option:                        | <i>[Only applicable where the Alternative Currency is a currency other than U.S. Dollars]</i>                                 |
| (x)       | Maximum Days of Postponement:                      | [•]   |
| <b>14</b> | <b>Put/Call Options/Obligatory Redemption:</b>     | [Put Option]<br>[Call Option]<br>[Obligatory Redemption]<br>[(further particulars specified below)]                           |
| <b>15</b> | (i) Status of the Notes:                           | Senior  |
|           | (ii) Date approval for issuance of Notes obtained: | [•]<br><br><i>[N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes]</i> |

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

|           |                                   |   |
|-----------|-----------------------------------|---|
| <b>16</b> | <b>Fixed Rate Note Provisions</b> | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|           | (i) Rate[(s)] of Interest:        | [•] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear]   |
|           | (ii) Interest Payment Date(s):    | [•] in each year, commencing on [•] and ending on the Maturity Date<br><br><i>(N.B. Condition 11(h) will apply if an Interest Payment Date falls on a non-business day)</i><br><br>[Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.]<br><br>For these purposes, “ <b>Business Day</b> ” means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing |

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|   | <p>in foreign exchange and currency deposits) in Hong Kong.]</p> <p><i>(N.B. The second option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)</i></p>   |
| (iii) Fixed Coupon Amount[(s)]:   | <p>[•] per Calculation Amount/Not Applicable]</p> <p>[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]</p> <p><i>(N.B. The second option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)</i></p> |
| (iv) Broken Amount:   | <p>[•] per Calculation Amount [<i>Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate</i>]</p>  |
| (v) Day Count Fraction (Condition 1(a)):  | <p>[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]</p> <p><i>(Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed)</i></p>   |
| (vi) Determination Date(s) (Condition 1(a)):  | <p>[•] in each year [<i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon</i>]</p>   |
| (vii) [Business Day Convention:   | <p>[Applicable — Modified Following Business Day Convention/other (give details)/Not Applicable]</p> <p><i>[Only applicable where Notes are denominated in Renminbi]</i></p>   |
| (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | <p>[Not Applicable/give details]</p>   |
| <b>17 Floating Rate Note Provisions</b>   | <p>[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)</p>   |
| (i) Interest Period(s):   | <p>[•]</p>   |

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| (ii) Specified Interest Payment Dates:  | [•]  |
| (iii) Business Day Convention:  | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other (give details)]  |
| (iv) Business Centre(s) (Condition 1(a)):   | [•] (please provide all the relevant Business Centres)   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:                                | [Screen Rate Determination/ISDA Determination/other (give details)]  |
| (vi) Interest Period Date(s):   | [Not Applicable/specify dates]   |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): | [Condition [•] shall apply]/[•] (Specify the Condition which sets out the applicable formula, or include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amount(s)) |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):            | [Calculation Agent/[•]]  |
| (ix) Screen Rate Determination (Condition 1(a)):  | [Applicable/Not Applicable]  |
| – Reference Rate(s):  | [•]  |
| – Interest Determination Date:  | [•]/[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]   |
| – Relevant Screen Page(s):  | [•]  |
| – Location of Reference Banks:  | [•]/As per the Conditions  |
| (x) ISDA Determination (Condition 1(a)):  | [Applicable/Not Applicable]  |
| – Floating Rate Option(s):  | [•]  |
| – Designated Maturity(ies):   | [•]  |
| – Reset Date:   | [•]  |
| – ISDA Definitions (if different from those set out in the Conditions):                             | [•]  |
| (xi) Margin(s):   | [+/-] [•] per cent. per annum  |
| (xii) Minimum Rate of Interest:   | [•]  |
| (xiii) Maximum Rate of Interest:  | [•]  |
| (xiv) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]                                    |
| (xv) Gearing Factor:  | [•]  |
| (xvi) Previous Coupon:  | [•] (Insert details of the Previous Coupon where different from that described in the  |

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|   |   | <i>Conditions)</i>  |
| (xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: | [•]   |   |
| <b>18 Inverse Floating Rate Note Provisions</b>   |   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Interest Period(s):   | [•]   |   |
| (ii) Specified Interest Payment Dates:  | [•]   |   |
| (iii) Business Day Convention:  |   | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other ( <i>give details</i> )]  |
| (iv) Business Centre(s) (Condition 1(a)):   | [•] ( <i>please provide all the relevant Business Centres</i> ) |   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:  |   | [Screen Rate Determination/ISDA Determination/other ( <i>give details</i> )]  |
| (vi) Interest Period Date(s):   |   | [Not Applicable/ <i>specify dates</i> ]   |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s):   |   | [Condition [•] shall apply]/[•] ( <i>Specify the Condition which sets out the applicable formula, or include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amount(s)</i> ) |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):  |   | [Calculation Agent/[•]]   |
| (ix) Screen Rate Determination (Condition 1(a)):  |   | [Applicable/Not Applicable]   |
| – Reference Rate(s):  | [•]   |   |
| – Interest Determination Date:  |   | [•]/[TARGET] Business Days in [ <i>specify city</i> ] for [ <i>specify currency</i> ] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]  |
| – Relevant Screen Page:   | [•]   |   |
| – Location of Reference Banks:  |   | [•]/As per the Conditions]  |
| (x) ISDA Determination (Condition 1(a)):  |   | [Applicable/Not Applicable]   |
| – Floating Rate Option(s):  | [•]   |   |
| – Designated Maturity(ies):   | [•]   |   |
| – Reset Date:   | [•]   |   |
| – ISDA Definitions (if different from those set out in the Conditions):   | [•]   |   |
| (xi) Margin(s):   |   | [+/-] [•] per cent. per annum   |

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| (xii) Minimum Rate of Interest:   | [•]   |
| (xiii) Maximum Rate of Interest:  | [•]   |
| (xiv) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]   |
| (xv) Gearing Factor:  | [•]   |
| (xvi) Previous Coupon:  | [•] ( <i>Insert details of the Previous Coupon where different from that described in the Conditions</i> )  |
| (xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Inverse Floating Rate Notes, if different from those set out in the Conditions: | [•]   |
| <b>19 Range Accrual Note Provisions</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Interest Period(s):   | [•]   |
| (ii) Specified Interest Payment Dates:  | [•]   |
| (iii) Business Day Convention:  | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other ( <i>give details</i> )]  |
| (iv) Business Centre(s) (Condition 1(a)):   | [•] ( <i>please provide all the relevant Business Centres</i> )   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:  | [Screen Rate Determination/ISDA Determination/other ( <i>give details</i> )]  |
| (vi) Interest Period Date(s):   | [Not Applicable/ <i>specify dates</i> ]   |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s):   | [Condition [•] shall apply]/[•] ( <i>Specify the Condition which sets out the applicable formula, or include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amount(s)</i> ) |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):  | [Calculation Agent/[•]]   |
| (ix) Screen Rate Determination (Condition 1(a)):  | [Applicable/Not Applicable]   |
| – Reference Rate(s):  | [•]   |
| – Interest Determination Date:  | [•]/[TARGET] Business Days in [ <i>specify city</i> ] for [ <i>specify currency</i> ] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]  |

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| – Relevant Screen Page(s):   | [•]   |
| – Location of Reference Banks:   | [•]/As per the Conditions]  |
| (x) ISDA Determination (Condition 1(a)):   | [Applicable/Not Applicable]   |
| – Floating Rate Option(s):   | [•]   |
| – Designated Maturity(ies):  | [•]   |
| – Reset Date:  | [•]   |
| – ISDA Definitions (if different from those set out in the Conditions):  | [•]   |
| (xi) Accrual Range:  | [•]   |
| (xii) Applicable Rate:   | [•]   |
| (xiii) Minimum Applicable Rate:  | [•]   |
| (xiv) Fixing Day:  | [As per Conditions]/[•]   |
| (xv) Rate Cut-off Date:  | [As per Conditions]/[•]   |
| (xvi) Gearing Factor:  | [•]   |
| (xvii) Margin(s):  | [+/-] [•] per cent. per annum   |
| (xviii) Minimum Rate of Interest:  | [•]   |
| (xix) Maximum Rate of Interest:  | [•]   |
| (xx) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other] |
| (xxi) Business Days:   | [As per Conditions]/[•]   |
| (xxii) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Range Accrual Notes, if different from those set out in the Conditions: | [•]   |
| <b>20 Zero Coupon Note Provisions</b>  | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Amortisation Yield (Condition 7(b)):   | [•] per cent. per annum   |
| (ii) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other] |
| (iii) Any other formula/basis of determining amount payable:   | [•]   |
| <b>21 CMS Linked Note Provisions</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Interest Period(s):  | [•]   |

|   |  |
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| (ii) Specified Interest Payment Dates:  | [•]  |
| (iii) Business Day Convention:  | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other (give details)]  |
| (iv) Business Centre(s) (Condition 1(a)):   | [•] (please provide all the relevant Business Centres)   |
| (v) Manner in which the Rate(s) of Interest is/are to be determined:                                | [Screen Rate Determination/ISDA Determination/other (give details)]  |
| (vi) Interest Period Date(s):   | [Not Applicable/specify dates]   |
| (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): | [Condition [•] shall apply]/[•] (Specify the Condition which sets out the applicable formula, or include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amount(s)) |
| (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):            | [Calculation Agent/[•]]  |
| (ix) Screen Rate Determination (Condition 1(a)):  | [Applicable/Not Applicable]  |
| – Reference Rate(s):  | [•]  |
| – Interest Determination Date:  | [•]/[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Specified Interest Payment Date]]   |
| – Relevant Screen Page(s):  | [•]  |
| – Location of Reference Banks:  | [•]/As per the Conditions  |
| (x) ISDA Determination (Condition 1(a)):  | [Applicable/Not Applicable]  |
| – Floating Rate Option(s):  | [•]  |
| – Designated Maturity(ies):   | [•]  |
| – Reset Date:   | [•]  |
| – ISDA Definitions (if different from those set out in the Conditions):                             | [•]  |
| (xi) Applicable Rate:   | [•]  |
| (xii) Gearing Factor:   | [•]  |
| (xiii) n:   | [•]  |
| (xiv) Previous Coupon:  | [•] (Insert details of the Previous Coupon where different from that described in the Conditions)  |
| (xv) Margin(s), Margin1 and/or Margin2:   | [+/-] [•] per cent. per annum  |
| (xvi) Minimum Rate of Interest:   | [•]  |
| (xvii) Maximum Rate of Interest:  | [•]  |
| (xviii) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365]  |

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|           |   | (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]   |
|           | (xix) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on CMS Linked Notes, if different from those set out in the Conditions: | [•]  |
| <b>22</b> | <b>Index Linked Interest Note Provisions</b>  |  |
|           |   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )  |
|           | (i) Description of formula to be used for determining Rate(s) of Interest and Interest Amount:  | [•]  |
|           | (ii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount:   | [Deutsche Bank AG, London Branch] [specify other]  |
|           | (iii) [Index:<br>Index Sponsor:<br>Exchange:<br>Related Exchange:]  | [•]<br>[•]<br>[•]<br>[•]/[All Exchanges] <sup>24</sup>   |
|           | (iv) Basket:  | The basket composed of each Index specified below in the relative weighting specified:   |
|           |   | Weighting  |
|           | – Index   | [•]  |
|           | – Index Sponsor   | [•]  |
|           | – Business Centres  | [•]  |
|           | – Exchange(s)   | [•]  |
|           | – Related Exchange(s)   | [•] <sup>24</sup>  |
|           | (v) Trade Date:   | [•]<br>[Omission/Postponement/Modified Postponement]<br><i>(NB: only applicable where Averaging Date(s) are specified)</i>   |
|           | (vi) Valuation Time:  | [Issue Date ( <i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i> )/[•] ( <i>Insert Trade Date of related swap transaction (if different from Issue Date)</i> )]<br>[•] |

<sup>24</sup> Delete entire paragraph if basket of indices.

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| (vii) Provisions for determining Rate(s) of Interest and Interest Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable: | [•] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>   |
| (viii) Additional Disruption Events:  | [Applicable/Not Applicable] <i>(If not applicable, delete the remainder of this paragraph)</i><br><br><i>[Change in Law]</i><br><i>[Hedging Disruption]</i><br><i>[Increased Cost of Hedging]</i><br><i>[Other]</i>  |
| (ix) Interest Period(s):  | [•]  |
| (x) Interest Period Date(s):  | [Not Applicable/specify dates]   |
| (xi) Specified Interest Payment Dates:  | [•]  |
| (xii) Business Day Convention:  | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other (give details)]  |
| (xiii) Business Centre(s) (Condition 1(a)):   | [Please see paragraph (iii) above] <sup>25</sup> /[•]<br><i>(please provide all the relevant Business Centres)</i>   |
| (xiv) Minimum Rate of Interest:   | [•]  |
| (xv) Maximum Rate of Interest:  | [•]  |
| (xvi) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]  |
| (xvii) Correction of Index Levels:  | Correction of Index Levels [applies/does not apply and the Reference Level shall be calculated without regard to any subsequently published correction].<br><br><i>(If Correction of Index Levels does not apply, delete the following sub-paragraph)</i>  |
| [Correction Cut-Off Date:   | [•] Business Days prior to the Maturity Date.]<br><br>[In relation to Index Valuation Dates other than the final Index Valuation Date, [•] Business Days after the relevant Index Valuation Date and in relation to the final Index Valuation Date, [•] Business Days prior to the Maturity Date.]<br><br>[In relation to Averaging Dates other than the |

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<sup>25</sup> Delete if single Index.

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|           |   | final Averaging Date, [●] Business Days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date.]]  |
|           | (xviii) Such other additional terms or provisions as may be required:   | [●]   |
| <b>23</b> | <b>Equity Linked Interest Note Provisions</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
|           | (i) Description of formula to be used to determine Rate(s) of Interest and Interest Amount:                                       | [●]   |
|           | (ii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount:                                   | [Deutsche Bank AG, London Branch] [Specify other]   |
|           | (iii) [Underlying Security:<br><br>Company:<br><br>ISIN:<br><br>Exchange:<br><br>Related Exchange:                                | [●]<br>[●]<br>[●]<br>[●]<br>[●]/[All Exchanges] <sup>26</sup>   |
|           | (iii) [Basket:<br><br>Weighting<br><br>– Index<br>– Index Sponsor<br>– Business Centres<br>– Exchange(s)<br>– Related Exchange(s) | The basket composed of Underlying Securities of each Company specified below in the [relative proportions/number of shares of each Company] specified:<br>Weighting<br>[●]<br>[●]<br>[●]<br>[●]<br>[●] <sup>27</sup>  |
|           | (iv) [Equity Valuation Date(s)/Averaging Date(s):<br><br>[Adjustment provisions in the event of a Disrupted Day:]                 | [●]<br>[Omission/Postponement/Modified Postponement] NB: ( <i>only applicable where Averaging Date(s) are specified</i> )   |
|           | (v) Trade Date  | [Issue Date ( <i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i> )/[●] (Insert Trade Date of related swap transaction ( <i>if different from Issue Date</i> ))] |
|           | (vi) Valuation Time:  | [●]   |

<sup>26</sup> Delete entire paragraph if basket of Underlying Securities.

<sup>27</sup> Delete if single Underlying Security.

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| (vii) Provisions for determining Rate(s) of Interest and Interest Amount where calculation by reference to Underlying Security and/or Formula is impossible or impracticable: | [•] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions, including:</i>   |
|   | [Potential Adjustment Event]  |
|   | [Merger Event]  |
|   | [Tender Offer]  |
|   | [Nationalisation]   |
|   | [De-Listing]  |
|   | [Insolvency]  |
|   | [Other])  |
|   | [Applicable/Not Applicable] <i>(If not applicable, delete the remainder of this paragraph)</i>  |
| (viii) Additional Disruption Events:  | [Change in Law]   |
|   | [Hedging Disruption]  |
|   | [Increased Cost of Hedging]   |
|   | [Other]   |
| (ix) Interest Period(s):  | [•]   |
| (x) Interest Period Dates:  | [Not Applicable/specify dates]  |
| (xi) Specified Interest Payment Date(s):  | [•]   |
| (xii) Business Day Convention:  | [Floating Rate Business Day<br>Convention/Following Business Day<br>Convention/Modified Following Business Day<br>Convention/Preceding Business Day<br>Convention/other (give details)]     |
| (xiii) Business Centre(s) (Condition 1(a)):   | [Please see paragraph (iii) above] <sup>27</sup> /[•]<br><i>(please provide all the relevant Business Centres)</i>  |
| (xiv) Minimum Rate of Interest:   | [•]   |
| (xv) Maximum Rate of Interest:  | [•]   |
| (xvi) Day Count Fraction (Condition 1(a)):  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other] |
| (xvii) Correction of Underlying Security Prices:  | Correction of Underlying Security Prices<br>[applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].                   |
|   | <i>(If Correction of Underlying Security Prices does not apply, delete the following sub-</i>   |

<sup>27</sup> Delete if single Underlying Security.

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|  |  | <i>paragraph)</i>  |
| [Correction Cut-Off Date:  |  | [●] Business Days prior to the Maturity Date.]   |
|  |  | [In relation to Equity Valuation Dates other than the final Equity Valuation Date, [●] Business Days after the relevant Equity Valuation Date and in relation to the final Equity Valuation Date, [●] Business Days prior to the Maturity Date.] |
|  |  | [In relation to Averaging Dates other than the final Averaging Date, [●] Business Days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date.]                             |
| (xviii) Exchange Rate:   |  | [Applicable/Not Applicable] <i>[If applicable, insert details]</i>   |
| (xix) Such other additional terms or provisions as may be required:  |  | [●]  |
| <b>24 FX Linked Interest Note Provisions</b>   |  | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| (i) Description of formula to be used to determine Rate(s) of Interest and Interest Amount where calculated by reference to FX Rate: |  | [●]/[Condition [●] shall apply]  |
| – [Base Currency]  |  | [●]  |
| – [Reference Currency:]  |  | [●]  |
| – [FX <sub>n</sub> :]  |  | [●]  |
| – [FX <sub>0</sub> :]  |  | [●]  |
| – [Rate <sub>1</sub> :]  |  | [●] <i>(If applicable, include details of the applicable Reference Rate or Floating Rate Option by reference to which Rate<sub>1</sub> will be determined, together with details of the Relevant Screen Page)</i>                                |
| – [Rate <sub>2</sub> :]  |  | [●] <i>(If applicable, include details of the applicable Reference Rate or Floating Rate Option by reference to which Rate<sub>2</sub> will be determined, together with details of the Relevant Screen Page)</i>                                |
| (ii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount:                                      |  | [Deutsche Bank AG, London Branch] <i>[specify other]</i>   |
| (iii) [FX Rate(s):   |  | [●]]   |
| (iv) [Basket:  |  | [●]]   |
| (iv) Trade Date:   |  | [Issue Date <i>(if either (a) there is no related swap transaction or (b) the Trade Date of the</i>  |

|         |   |   |
|---------|---|---|
|         |   | <i>related swap transaction is the same date as the Issue Date)/[•] (Insert Trade Date of related swap transaction (if different from Issue Date))]</i>                                     |
| (v)     | Reference Currency:   | [•]   |
| (vi)    | Base Currency:  | [•]   |
| (vii)   | FX Price Source:  | [•]   |
| (viii)  | FX Rate Sponsor:  | [•]   |
| (ix)    | Number of FX Settlement Days:                                       | [•]   |
| (x)     | [FX Valuation Date(s)/Averaging Date(s)]:                           | [•]   |
| (xi)    | Valuation Time:   | [•]   |
| (xii)   | Initial FX Valuation Date:  | [•]   |
| (xiii)  | Initial FX Averaging Date:  | [•]   |
| (xiv)   | FX Interest Valuation Date:   | [•]   |
| (xv)    | Interest Period(s):   | [•]   |
| (xvi)   | Interest Period Dates:  | [Not Applicable/specify dates]  |
| (xvii)  | Specified Interest Payment Date(s):                                 | [Not Applicable/specify dates]  |
| (xviii) | FX Business Day Convention:   | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]   |
| (xix)   | FX Financial Centre:  | [•]   |
| (xx)    | Minimum Rate of Interest:   | [•]   |
| (xxi)   | Maximum Rate of Interest:   | [•]   |
| (xxii)  | Day Count Fraction:   | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other] |
| (xxiii) | Provisions for determining Rate(s) of Interest and Interest Amount: | [•] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>  |
| (xxiv)  | Disrupted Days:   | [Price Source Disruption and/or Inconvertibility Event as specified in Condition 10]<br>[Other Events]  |
| (xxv)   | Additional Disruption Events:                                       | [Applicable/Not Applicable] <i>(If not applicable, delete the remainder of this paragraph)</i><br>[Change in Law]<br>[Hedging Disruption]<br>[Increased Cost of Hedging]<br>[Other]         |

|  |   |
|--|---|
| (xxvi) Disruption Fallbacks:   |   |
| (a) Calculation Agent FX Determination:  | [•]   |
| (b) Currency Reference Dealers:  | [•]   |
| (c) Fallback Reference Price:  | [•]   |
| (d) Other:   | [•]   |
| (xxvii) FX Averaging Reference Dates - Omission:   | [Applicable/Not Applicable]   |
| (xxviii) Fallback Valuation Date:  | [•]   |
| (xxix) Successor Currency:   | [•]   |
| (xxx) Rebasing:  | [Applicable/Not Applicable]   |
| (xxxi) FX Reference Dealers:   | [Applicable/Not Applicable] ( <i>If applicable, please specify such dealers</i> )   |
| (xxxii) FX Range Notes:  | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| – Currency Pair:   | [•]   |
| – Minimum Currency Rate:   | [•]   |
| – Maximum Currency Rate:   | [•]   |
| – Observation Period:  | [•]   |
| – Rate <sub>1</sub> :  | [•]   |
| – Rate <sub>2</sub> :  | [•]   |
| – FX Determination Date:   | [As per Conditions]/[•]   |
| (xxxiii) Such other additional terms or provisions as may be required:   | [•]   |
| <b>25 Dual Currency Note Provisions</b>  | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |
| (i) Rate of Exchange/Method of calculating Rate of Exchange:   | [Give details]  |
| (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:                 | [Deutsche Bank AG, London Branch] [Specify other]   |
| (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: | [•]   |
| (iv) Person at whose option Specified Currency(ies) is/are payable:  | [•]   |
| (v) Day Count Fraction (Condition 1(a)):   | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other] |
| <b>26 Interest Trigger Event</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this</i> )   |

|  |  |   |
|--|--|---|
|  |  | <i>paragraph)</i>   |
| (i)                                      | Initial Rate of Interest:  | [•]   |
| (ii)                                     | Reset Rate of Interest:  | [•]   |
| (iii)                                    | Minimum Interest Amount:   | [•]   |
| <b>27</b>                                | <b>Knock-in Event</b>  | <i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (i)                                      | Initial Rate of Interest:  | [•]   |
| (ii)                                     | Reset Rate of Interest:  | [•]   |
| (iii)                                    | Knock-in Barrier:  | [•]   |
| (iv)                                     | [Reference Period]/[Reference Time]:   | [Condition [•] shall apply]]/[•]  |
| (v)                                      | Relevant Rate:   | [•] (Specify or include a cross reference to the section in the Final Terms in which the Relevant Rate is set out)  |
| (vi)                                     | Other additional terms or provisions as may be required:   | [•]/[For the purposes of the definition of "Knock-in Event", a Knock-in Event shall occur when the Relevant Rate is less than the Knock-in Barrier [at any time during the Reference Period]/[at the Reference Time]] |
| <b>PROVISIONS RELATING TO REDEMPTION</b> |  |   |
| <b>28</b>                                | <b>Call Option</b>   | <i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) (Refer to Condition [•])</i>  |
| (i)                                      | Optional Redemption Date(s):   | [•]   |
| (ii)                                     | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [•] per Calculation Amount/[Condition 7(d)(ii)]/[7(b)] shall apply  |
|  | – [Reference Rate:]  | [•]   |
|  | – [Strike Rate:]   | [•]   |
|  | – [X:]   | [•]   |
|  | – [Observation Date:]  | [As per Conditions]/[•]   |
| (iii)                                    | If redeemable in part:   |   |
|  | Minimum Redemption Amount:   | [•] per Calculation Amount  |
|  | Maximum Redemption Amount:   | [•] per Calculation Amount  |
| (iv)                                     | Notice period:   | [The Issuer shall give notice of its intention to redeem the Notes not less than [15] nor more than [30] days prior to the relevant Optional Redemption Date]   |
| <b>29</b>                                | <b>Put Option</b>  | <i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (i)                                      | Optional Redemption Date(s):   | [•]   |
| (ii)                                     | Optional Redemption Amount(s) of each  | [•] per Calculation Amount/[Condition 7(b)]   |

|  |   |               |
|--|---|---------------|
|  | Note and method, if any, of calculation of such amount(s):  | [shall apply] |
| (iii) Notice period:   | [The holder shall give notice of its intention to redeem the Notes not less than [15] nor more than [30] days prior to the relevant Optional Redemption Date]   |               |
| <b>30 Final Redemption Amount (all Notes except Equity Linked Redemption Notes, Index Linked Redemption Notes and FX Linked Redemption Notes) of each Note</b>   | [•] per Calculation Amount  |               |
| <b>31 Final Redemption Amount (Index Linked Redemption Notes) of each Note</b>   | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )   |               |
| (i) Formula for calculating the Final Redemption Amount:   | [•]   |               |
| (ii) Calculation Agent responsible for calculating the Final Redemption Amount:  | [Deutsche Bank AG, London Branch] [Specify other]   |               |
| (iii) [Index:<br>Index Sponsor:<br>Exchange:<br>Related Exchange:<br>((iii) Basket:<br>– Index<br>– Index Sponsor<br>– Business Centres<br>– Exchange(s)<br>– Related Exchange(s)<br>(iv) [Index Valuation Date(s)/Averaging Date(s)]:<br>[Adjustment provisions in the event of a Disrupted Day:<br>(v) Valuation Time:<br>(vi) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:<br>[Applicable/Not Applicable] ( <i>If not applicable,</i> | [•]<br>[•]<br>[•]<br>[•]/[All Exchanges] <sup>28</sup><br>The basket composed of each Index specified below in the relative weighting specified:<br>Weighting<br>[•]<br>[•]<br>[•]<br>[•]<br>[•]) <sup>29</sup><br>[•]<br>[Omission/Postponement/Modified Postponement] ( <i>NB: only applicable where Averaging Date(s) are specified</i> )<br>[•]<br>[•] ( <i>If applicable, need to include a description of market disruption events and adjustment provisions</i> )<br>[Applicable/Not Applicable] ( <i>If not applicable,</i> |               |

<sup>28</sup> Delete entire paragraph if basket of Indices.

<sup>29</sup> Delete if single Underlying Security.

|   |  |
|---|--|
|   | <i>delete the remainder of this paragraph)</i>   |
|   | <i>[Change in Law]</i>   |
|   | <i>[Hedging Disruption]</i>  |
|   | <i>[Increased Cost of Hedging]</i>   |
| (vii) Additional Disruption Events:   | <i>[Other]</i>   |
| (viii) Minimum Final Redemption:  | [•]  |
| (ix) Maximum Final Redemption:  | [•]  |
| (x) Correction of Index Levels:   | Correction of Index Levels [applies/does not apply and the Reference Level shall be calculated without regard to any subsequently published correction].<br><br><i>(If Correction of Index Levels does not apply, delete the following sub-paragraph)</i>  |
| [Correction Cut-Off Date:   | [•] Business Days prior to the Maturity Date.]<br><br>[In relation to Index Valuation Dates other than the final Index Valuation Date, [•] Business Days after the relevant Index Valuation Date and in relation to the final Index Valuation Date, [•] Business Days prior to the Maturity Date.] |
|   | [In relation to Averaging Dates other than the final Averaging Date, [•] Business Days after the relevant Averaging Date and in relation to the final Averaging Date, [•] Business Days prior to the Maturity Date.]]  |
| (xi) Such other additional terms or provisions as may be required:              | [•]  |
| <b>32 Final Redemption Amount (Equity Linked Redemption Notes) of each Note</b> | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| (i) Formula for calculating the Final Redemption Amount:                        | [•]  |
| (ii) Calculation Agent responsible for calculating the Final Redemption Amount: | [Deutsche Bank AG, London Branch] <i>[Specify other]</i>   |
| (iii) [Underlying Security:   | [•]  |
| Company:  | [•]  |
| ISIN:   | [•]  |
| Exchange:   | [•]  |
| Related Exchange:   | [•]/[All Exchanges] <sup>30</sup>  |
| (iii) Basket:   | The basket composed of Underlying Securities of each Company specified below in the [relative proportions/number of shares   |

<sup>30</sup> Delete entire paragraph if basket of Underlying Securities.

|  |  |
|--|--|
|  | of each Company] specified:  |
|  | Weighting  |
| – Index  | [•]  |
| – Index Sponsor  | [•]  |
| – Business Centres   | [•]  |
| – Exchange(s)  | [•]  |
| – Related Exchange(s)  | [•] <sup>30</sup>  |
| (iv) [Equity Valuation Date(s)/Averaging Date(s):]   |  |
| [Adjustment provisions in the event of a Disrupted Day:]   | [Omission/Postponement/Modified Postponement] (NB: <i>only applicable where Averaging Date(s) are specified</i> )  |
| (v) Valuation Time:  | [•]  |
| (vi) Business Centre:  | [Please see paragraph (iii) above] <sup>31</sup> /[•]<br>(Please provide all the relevant Business Centres)  |
| (vii) Physical Settlement by delivery of the Underlying Securities Amount:                       | [Applicable/Not Applicable] [If Physical Settlement does not apply, delete the following sub-paragraphs]   |
| [Underlying Securities Amount:   | [•]  |
| Presentation Date:   | [•]  |
| Clearing system through which the Underlying Securities Amount may be delivered upon redemption: | [•]  |
| Delivery Agent:  | [Co-operatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International)] [Specify other]]  |
| (viii) Correction of Underlying Security Prices:   | Correction of Underlying Security Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].<br>(If Correction of Underlying Security Prices does not apply, delete the following sub-paragraph)   |
| [Correction Cut-Off Date:  | [•] Business Days prior to the Maturity Date.]<br>[In relation to Equity Valuation Dates other than the final Equity Valuation Date, [•] Business Days after the relevant Equity Valuation Date and in relation to the final Equity Valuation Date, [•] Business Days prior to the Maturity Date.]<br>[In relation to Averaging Dates other than the final Averaging Date, [•] Business Days after |

<sup>31</sup> Delete if single Underlying Security.

|    |  |   |
|----|--|---|
|    |  | the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date.]]  |
|    |  | [●] (If applicable, need to include a description of Final Redemption Amount where market disruption or settlement disruption events and adjustment provisions, including:  |
|    |  | <i>[Potential Adjustment Event]</i>   |
|    |  | <i>[Merger Event]</i>   |
|    |  | <i>[Tender Offer]</i>   |
|    |  | <i>[Nationalisation]</i>  |
|    |  | <i>[De-Listing]</i>   |
|    |  | <i>[Insolvency]</i>   |
|    |  | <i>[other]</i>  |
|    |  | [Applicable/Not Applicable] (If not applicable, delete the remainder of this paragraph)   |
|    |  | <i>[Other]</i>  |
|    |  | <i>[Change in Law]</i>  |
|    |  | <i>[Hedging Disruption]</i>   |
|    |  | <i>[Increased Cost of Hedging]</i>  |
|    |  | <i>[Other]</i>  |
|    |  | [Applicable/Not Applicable] [If applicable insert details]  |
|    |  | [●]   |
| 33 | <b>Final Redemption Amount (FX Linked Redemption Notes) of each Note</b>   | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)  |
|    | (i) Description of formula to be used to determine Final Redemption Amount where calculated by reference to a FX Rate: | [●]   |
|    | (ii) Calculation Agent responsible for calculating the Final Redemption Amount:  | [Deutsche Bank AG, London Branch] [specify other]   |
|    | (iii) [FX Rate(s):   | [●]]  |
|    | (iii) [Basket:   | [●]]  |
|    | (iv) Trade Date:   | [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)/[●] (Insert Trade Date of related swap transaction (if different from Issue Date))] |
|    | (v) Reference Currency:  | [●]   |

|  |  |
|--|--|
| (vi) Base Currency:  | [•]  |
| (vii) FX Price Source:                                     | [•]  |
| (viii) FX Rate Sponsor:                                    | [•]  |
| (ix) Number of FX Settlement Days:                         | [•]  |
| (x) [FX Valuation Date(s)/Averaging Date(s)]:              | [•]  |
| (xi) Valuation Time:                                       | [•]  |
| (xii) Initial FX Valuation Date:                           | [•]  |
| (xiii) Initial FX Averaging Date:                          | [•]  |
| (xiv) FX Business Day Convention:                          | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]  |
| (xv) FX Financial Centre:                                  | [•]  |
| (xvi) Day Count Fraction:                                  | [Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; Other]  |
| (xvii) Provisions for determining Final Redemption Amount: | [•] ( <i>If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions</i> )   |
| (xviii) Disruption Days:                                   | [Price Source Disruption and/or Inconvertibility Event as specified in Condition 10]<br><br>[Other Events]<br><br>[Applicable/Not Applicable] ( <i>If not applicable, delete the remainder of this paragraph</i> )<br><br>[Change in Law]<br><br>[Hedging Disruption]<br><br>[Increased Cost of Hedging] |
| (xix) Additional Disruption Events:                        | [Other]  |
| (xx) Disruption Fallbacks:                                 |  |
| (a) Calculation Agent FX Determination:                    | [•]  |
| (b) Currency Reference Dealers:                            | [•]  |
| (c) Fallback Reference Price:                              | [•]  |
| (d) Other:   | [•]  |
| (xxi) FX Averaging Reference Dates – Omission:             | [Applicable/Not Applicable]  |
| (xxii) Fallback Valuation Date:                            | [•]  |
| (xxiii) Successor Currency:                                | [•]  |
| (xxiv) Rebasing:   | [Applicable/Not Applicable]  |
| (xxv) FX Reference Dealers:                                | [Applicable/Not Applicable] ( <i>If applicable, please specify such dealers</i> )  |

(xxvi) Such other additional terms or provisions as [•]  
may be required:

#### 34 Early Redemption Amount

Early Redemption Amount(s) payable per Calculation Amount and/or the method of calculating the same (if required or if different from that set out in the Conditions) on redemption (a) on the occurrence of an event of default (Condition 14) or (b) for illegality (Condition 7(j)) or (c) for taxation reasons (Condition 7(c)), or (d) in the case of Equity Linked Redemption Notes, following certain corporate events in accordance with Condition 7(g) or (e) in the case of Index Linked Redemption Notes, following an Index Modification, Index Cancellation or Index Disruption Event (Condition 7(h)) or (f) in the case of Equity Linked Redemption Notes, Index Linked Redemption Notes or FX Linked Notes, following an Additional Disruption Event (if applicable) Condition 7(i):

[•]/Not Applicable] [less the cost to the Issuer and/or payable on redemption following its Affiliates of unwinding or adjusting any underlying or Nationalisation, Delisting or Insolvency related hedging arrangements in respect of the Notes]

*(in the case of Equity Linked Redemption Notes and Index Linked Redemption Notes)*

[Early Redemption Amount includes an amount in respect of accrued interest: no additional amount in respect of accrued interest to be paid] or [Early Redemption Amount does not include an amount in respect of accrued interest: together with the Early Redemption Amount, accrued interest shall also be paid]

#### 35 Obligatory Redemption

- (i) Obligatory Redemption Amount:
- (ii) Obligatory Redemption Commencement Date:
- (iii) Maximum Interest Amount:
- (iv) Notice period:

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[•] per Calculation Amount

[•]

[•] per Calculation Amount

[Condition [7(b)(iii)]] shall apply]/[•]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

#### 36 Form of Notes

Bearer Notes/Exchangeable Bearer Notes/Registered Notes] (Refer Condition [•])  
*[Delete as appropriate]*  
[Temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for

|           |   |
|-----------|---|
|           | Definitive Notes/Certificates at any time/in the limited circumstances specified in the permanent Global Note/Certificate]<br>[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates] <sup>32</sup><br>[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates at any time/in the limited circumstances specified in the permanent Global Note/Certificate] <sup>30</sup><br>[restricted Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the restricted Global Certificate (for Notes issued pursuant to Rule 144A)]<br>[unrestricted] Global Certificate [registered in the name of [a nominee for DTC/a common depositary for Euroclear and Clearstream Luxembourg] [a common safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the NSS)] exchangeable for Definitive Certificates in the limited circumstances specified in the unrestricted Global Certificate (for Notes issued pursuant to Regulation S)] |
| <b>37</b> | New Global Notes. <sup>33</sup><br>Financial Centre(s) (Condition 11(h)) or other special provisions relating to payment dates:   |
| <b>38</b> | Talons for future Coupons or Receipts to be attached to Definitive Notes:   |
| <b>39</b> | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:   |

<sup>32</sup> The exchange at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note/Certificate exchangeable for Definitive Notes, other than in the limited circumstances specified in the permanent Global Note/Certificate.

<sup>33</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes in NGN form or in the form of Registered Notes to be held under the NSS.

|                |   |   |
|----------------|---|---|
| <b>40</b>      | Details relating to Instalment Notes: Amount of each instalment, date on which each payment is to be made:                    | [Not Applicable/give details]   |
| <b>41</b>      | Redenomination, renominalisation and reconventioning provisions:  | [Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply] |
| <b>42</b>      | Consolidation provisions:   | [Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply] |
| <b>43</b>      | Other terms or special conditions:  | [[●]/Not Applicable]  |
| <b>GENERAL</b> |   |   |
| <b>44</b>      | Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 15(a): | [Not Applicable/give details]   |

### **[LISTING AND ADMISSION TO TRADING APPLICATION]**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 160,000,000,000 Global Medium-Term Note Programme of Rabobank Nederland.]

### **[THIRD PARTY INFORMATION]**

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

Signed on behalf of the Issuer:

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1 Listing<sup>34</sup>

- (i) Listing: [None/[●]]
- (ii) Admission to trading: [None/[●]]
- (iii) Estimate of total expenses related to admission to trading: [●]/Not Applicable]

### 2 Ratings

- Rating: [Not Applicable]
  - [The Notes to be issued [have been]/[are expected to be] rated:]
  - [Fitch: [●]]
  - [Fitch Australia: [●]]
  - [Moody's: [●]]
  - [Standard & Poor's: [●]]
  - [Other: [●]]
- (*the above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
- Insert one (or more) of the following options, as applicable:*

**Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”).

**Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:**

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”), although notification of

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<sup>34</sup> Listing of Exempt Notes may only be on an exchange regulated market or on a stock exchange outside the EEA.

the registration decision has not yet been provided.

**Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/ 2009 (the “CRA Regulation”).

**Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

**Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

**Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:**

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

**3 [Interests of natural and legal persons involved in the [issue/offer]**

*[Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:]*

[Save as disclosed in the Base Prospectus,] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]]

**4 Yield (Fixed Rate Notes only)**

Indication of yield:

[•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.

**5 Operational information**

(i) Intended to be held in a manner which would allow Eurosystem eligibility:<sup>35</sup>

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs<sup>36</sup> as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

(ii) ISIN:

[•]

(iii) Common Code:

[•]

(iv) German WKN-code:

[•]/Not Applicable

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<sup>35</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) may issue Notes in NGN form.

<sup>36</sup> The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, form *société anonyme*).

|          |   |  |
|----------|---|--|
| (v)      | Private Placement number:   | [●]/Not Applicable   |
| (vi)     | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s): | [Not Applicable/give name(s) and number(s)]  |
| (vii)    | The Depository Trust Company  | [Rabobank Nederland only – CUSIP Number]   |
| (viii)   | Delivery:   | Delivery [against/free of] payment   |
| (ix)     | Names and addresses of additional Paying/Delivery Agent(s) (if any):                                | Not Applicable/[●]   |
| (x)      | Names (and addresses) of Calculation Agent(s):  | [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom] [Specify other]  |
| <b>6</b> | <b>Distribution</b>   |  |
| (i)      | Method of distribution:   | [Syndicated/Non-syndicated]  |
| (ii)     | If syndicated, names and addresses of Managers:   | [Not Applicable/give names and addresses]  |
|          |   | <i>(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or extra information will be required if the managers and underwriters are not the same or if the placing is on a “best efforts” basis if such entities are not the same as the Dealers. Where applicable, set out the material features of any underwriting agreements, including quotas, and where an issue is only partially underwritten, include a statement of the portion not covered.)</i> |
| (iii)    | Date of Subscription Agreement:   | [●]  |
| (iv)     | Stabilising Manager(s) (if any):  | [Not Applicable/give names]  |
| (v)      | [Managers’/Dealer’s] Commission:  | [●]  |
| (vi)     | If non-syndicated, name and address of Dealer:  | [Not Applicable/give names and addresses]  |
|          |   | <i>[If the sole Dealer in respect of Notes issued by Rabobank Nederland is Rabobank International, Rabobank International will not subscribe for the Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from Rabobank International to the subscriber and Rabobank International receives funds from the subscriber on behalf of Rabobank Nederland]</i>   |
| (vii)    | Applicable TEFRA exemption:   | [C Rules/D Rules/Not Applicable]   |

(viii) Additional selling restrictions:

[Not Applicable/give details]

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]<sup>37</sup>

[Rabobank Singapore Branch, as issuer of the Notes, is subject to restrictions on the acceptance of deposits in Singapore dollars. The Notes do not constitute or evidence a debt repayable by Rabobank Singapore Branch on demand to the Noteholder. The Noteholder may recover the principal sum from Rabobank Singapore Branch subject to the Terms and Conditions of the Notes as set out in the Base Prospectus. The value of the Notes, if sold on the secondary market, is subject to the market conditions prevailing at the time of the sale.]<sup>38</sup>

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<sup>37</sup> To be inserted where the Notes are “qualifying debt securities” under the Income Tax Act, Chapter 134 of Singapore, and the Notes are issued by Rabobank Singapore Branch.

<sup>38</sup> To be inserted when the Notes are issued by Rabobank Singapore Branch, denominated in Singapore dollars, issued to sophisticated investors (as defined in the Guidelines for Operation of Wholesale Banks issued by the Monetary Authority of Singapore) or their nominees and Rabobank Singapore Branch reasonably expects or foresees that the Notes will not be held at all times by persons who are sophisticated investors.

## GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The update and amendment to the Programme was authorised by Rabobank Nederland by a resolution of the Executive Board of Rabobank Nederland passed on 6 November 2012, by a resolution of the Supervisory Board passed on 26 November 2012 and by a secretary's certificate dated 8 May 2013.
2. There has been no significant change in the financial or trading position of the Issuer or of Rabobank Group, and there has been no material adverse change in the financial position or prospects of the Issuer or of Rabobank Group, since 31 December 2012.
3. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability. Investors should refer to the section entitled "Legal proceedings" on page 163 of this Base Prospectus.
4. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".
5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. In addition, Rabobank Nederland will make an application with respect to any Restricted Notes of a Registered Series to be accepted for trading in book-entry form by DTC. Acceptance by DTC of Restricted Notes of each Tranche of a Registered Series issued by Rabobank Nederland will be confirmed in the relevant Final Terms. The Common Code, the International Securities Identification Number (ISIN), the Committee on Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg, Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041 USA. The address of any Alternative Clearing System will be specified in the relevant Final Terms.

6. The issue price and the amount of the relevant Notes will be determined based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
7. So long as any of the Notes are outstanding the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Paying Agent in Luxembourg:
  - (i) the Agency Agreement (as amended and supplemented from time to time) relating to the Programme (which includes the form of the Global Notes, the Definitive Notes, the Certificates and the Coupons, Talons and Receipts relating to Bearer Notes);
  - (ii) each set of Final Terms for Notes that are listed on Euronext Amsterdam or the Luxembourg Stock Exchange; and
  - (iii) the articles of association of Rabobank Nederland.

8. For the period of 12 months following the date of this Base Prospectus, copies of the following documents will be available, free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent and the Paying Agents in Luxembourg and the Netherlands:
  - (i) the Agency Agreement (as amended and supplemented from time to time) (which includes the form of the Global Notes, the Registered Notes, the Definitive Notes, and the Coupons, Talons and Receipts relating to Definitive Notes) and the Covenant (as amended and supplemented from time to time);
  - (ii) the articles of association of the Issuer;
  - (iii) the audited and consolidated financial statements of the Issuer and Rabobank Group for the years ended 31 December 2012, 31 December 2011 and 31 December 2010 (together with the explanatory notes and the independent auditor's reports in respect thereof);
  - (iv) the audited statutory financial statements of Rabobank Nederland for the years ended 31 December 2010, 2011 and 2012 (together with the explanatory notes and the independent auditor's reports in respect thereof);
  - (v) a copy of this Base Prospectus (together with any supplement to this Base Prospectus or further Base Prospectus); and
  - (vi) a copy of the ISDA Definitions.
9. Ernst & Young Accountants LLP, of which the "Registeraccountants" are members of the NBA (Nederlandse Beroepsorganisatie van Accountants – The Netherlands Institute of Chartered Accountants), has audited, and issued unqualified audit reports, on the financial statements of Rabobank Nederland for the years ended 31 December 2012, 2011 and 2010.
10. The latest published financial information is dated at 31 December 2012.
11. No interim financial information in respect of the Issuer is available subsequent to 31 December 2012.
12. As of the date of this Base Prospectus, Rabobank Group is not party to any contracts (not entered into in the ordinary course of business) that are considered material to its results, financial condition or operations.
13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

14. The yield for any particular Series of Fixed Rate Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is the formula for the purposes of calculating the yield of Fixed Rate Notes.

$$\text{Issue Price} = \text{Rate of Interest} \times \frac{1 - \left( \frac{1}{(1 + \text{Yield})^n} \right)}{\text{Yield}} + \left[ \text{Final Redemption Amount} \times \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

**“Rate of Interest”** means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency i.e. for a semi-annual paying Note, the Rate of Interest is half the stated annualised Rate of Interest in the Final Terms;

**“Yield”** means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms; and

**“n”** means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield on a Series of Fixed Rate Notes could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield for any Series of Notes; it is intended merely to illustrate the way which the above formula could be applied.

Where:

$n = 6$

Rate of interest = 3.875 per cent.

Issue Price = 99.392 per cent.

Final Redemption Amount = 100 per cent.

$$99.392 = 3.875 \frac{1 - \left[ \frac{1}{(1 + \text{Yield})^6} \right]}{\text{Yield}} + \left[ 100 \times \frac{1}{(1 + \text{Yield})^6} \right]$$

Yield = 3.99 per cent. (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Series of Fixed Rate Notes will not be indication of future yield.

**PRINCIPAL OFFICES OF THE ISSUER**

**Coöperatieve Centrale  
Raiffeisen-  
Boerenleenbank B.A.  
(Rabobank Nederland)**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Coöperatieve Centrale  
Raiffeisen-  
Boerenleenbank B.A.  
(Rabobank Nederland)**  
Australia Branch  
Darling Park Tower 3  
Level 16, 201 Sussex Street  
Sydney NSW 2000  
Australia

**Coöperatieve Centrale  
Raiffeisen-  
Boerenleenbank B.A.  
(Rabobank Nederland)**  
Singapore Branch  
77 Robinson Road 08-00  
SIA Building,  
Singapore 068896

**INDEPENDENT AUDITOR**

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

**Ernst & Young Accountants LLP**  
Euclideslaan 1  
3584 BL Utrecht  
The Netherlands

**DEALERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank International)**  
Thames Court  
One Queenhithe  
London EC4V 3RL  
United Kingdom

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**Daiwa Capital Markets Europe Limited**  
5 King William Street  
London EC4N 7AX  
United Kingdom

**Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Mizuho International plc**

Bracken House  
One Friday Street  
London EC4M 9JA  
United Kingdom

**Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**RBC Europe Limited**

Riverbank House  
2 Swan Lane  
London EC4R 3BF  
United Kingdom

**The Toronto-Dominion Bank**

60 Threadneedle Street  
London EC2R 8AP  
United Kingdom

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**ARRANGER****Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT****Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**PAYING AGENT, TRANSFER AGENT, EXCHANGE AGENT AND REGISTRAR****Deutsche Bank Luxembourg S.A.**

2 Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**PAYING AGENTS****Deutsche Bank AG, Paris Branch**

Securities & Custody Operations  
Floor 1, 3 Avenue de Friedland  
75008 Paris  
France

**Coöperatieve Centrale**

Raiffeisen-Boerenleenbank B.A. (Rabobank  
International)  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**REGISTRAR, TRANSFER AGENT AND EXCHANGE AGENT**

**Deutsche Bank Trust Company Americas**  
60 Wall Street  
27th Floor — MS NYC60-2710  
New York, New York 10005  
United States

**LUXEMBOURG STOCK EXCHANGE LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
Corporate Trust and Agency Services  
2 Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**EURONEXT AMSTERDAM LISTING AGENT**

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

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**LEGAL ADVISERS**

*To Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank Nederland) Australia Branch  
in respect of Australian law*

**Ashurst Australia**  
Grosvenor Place  
Level 36, 225 George Street  
Sydney NSW 2000  
Australia

*To the Dealers*

*in respect of Dutch law*

**Linklaters LLP**  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
The Netherlands

*To Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank Nederland) Singapore Branch  
in respect of Singapore law*

**Allen & Gledhill LLP**  
One Marina Boulevard #28-00  
Singapore 018989

*in respect of United States law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ  
United Kingdom