

## Rabobank

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

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

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

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

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

#### Due from seven days to perpetuity

Under the Global Medium-Term Note Programme described in this Base Prospectus (the "**Programme**"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) ("**Rabobank**" or "**Rabobank Nederland**") may, through its head office or through Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch ("**Rabobank Australia Branch**"), subject to compliance with all relevant laws, regulations and directives, from time to time, issue Global Medium-Term Notes (the "**Notes**"). References herein to the "**Issuer**" shall mean Rabobank, Rabobank Nederland or Rabobank Australia 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 laws of 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 (in each case excluding such Notes which constitute money market instruments (as defined in Article 1(5) of Directive 93/22/EC) having a maturity of less than 12 months ("**Money Market Instruments**")) which are:

- 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
- either: (i) admitted to trading on Euronext Amsterdam N.V.'s Euronext in Amsterdam ("**Euronext Amsterdam**"); (ii) admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**"); or (iii) admitted to trading on another regulated market as defined under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (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) and do not otherwise fall within an exemption from the requirement to publish a prospectus under the Prospectus Directive 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 7 May 2015, in relation to PD Notes only.

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

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

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 depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**") or (b) such other clearing system as agreed between the Issuer and the relevant Dealer. Interests in temporary Global Notes will be exchangeable, in whole or in part, for interests in permanent global notes (each, a "**permanent Global Note**") and, together with the temporary Global Notes, the "**Global Notes**", or, if so stated in the relevant Final Terms, definitive Notes ("**Definitive Notes**"), on or after the date falling 40 days after the later of the commencement of the distribution and the relevant issue date 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 Depository 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 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 Depository 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 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 A+ 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. A list of credit rating agencies registered under the CRA Regulation is published by the European Securities and Markets Authority on its website. 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.

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 32 to 53.

This Base Prospectus supersedes and replaces the Base Prospectus dated 7 May 2014.

#### Arranger for the Programme Credit Suisse

#### Dealers

Barclays  
Citigroup  
Daiwa Capital Markets Europe  
HSBC  
Mizuho Securities  
Nomura  
RBC Capital Markets  
UBS Investment Bank

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

The date of this Base Prospectus is 7 May 2015



Rabobank

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (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” on pages 54 to 59. 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.

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

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

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

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

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

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and (in the case of Restricted Notes issued by Rabobank) 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, sales, and transfers of Notes and on distribution of this Base Prospectus or any Final Terms or any other offering material relating to the Notes, see "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 has 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.

**TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR 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.**

Rabobank 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

(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 (including where it acts as Issuer through its Australian 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. Rabobank does not make any representations as to whether the Notes, or any of them, would constitute liabilities in Australia, under such statutory provisions.

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

Unless the context otherwise requires, references in this Base Prospectus to "Rabobank" and "Rabobank Nederland" are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) and references to "Rabobank Group" are to Rabobank, its members (being the local Rabobanks in the Netherlands) and its subsidiaries and participations in the Netherlands and abroad. References herein to the "Issuer" shall mean Rabobank, Rabobank Nederland or Rabobank Australia 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 "Renminbi Notes" are to Notes denominated in CNY or Renminbi deliverable in Hong Kong, Singapore and Taiwan.

Your attention is drawn to the important information on pages 62 to 63.

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## 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>Element</b>	<b>Title</b>	
<b>A.1</b>	<b>Warning and Introduction:</b>	<p><b>This summary must be read as an introduction to this Base Prospectus.</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p><b>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.</b></p>
<b>A.2</b>	<b>Consent:</b>	<p><i>Programme summary:</i></p> <p>The Issuer may provide its consent to the use of this Base Prospectus and the relevant Final Terms for subsequent resale or final placement of Notes by financial intermediaries to whom the Issuer has given its consent to use the Base Prospectus (an “<b>Authorised Offeror</b>”), provided that the subsequent resale or final placement of Notes by such financial intermediaries is made during the Offer Period specified in the relevant Final Terms. Such consent may be subject to conditions which are relevant for the use of the Base Prospectus.</p> <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 an Authorised Offeror, where the offer is made in compliance with all conditions attached to the giving of the 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 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</li> </ul> <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 the Issuer’s offer to grant consent to the use of this Base Prospectus 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 to use this Base Prospectus in the context of the relevant Public Offer 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 the Public Offer Jurisdictions, as specified in the relevant Final Terms.</li> </ul> <p><i>Issue specific summary:</i></p> <p>[Consent. 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 [Dealer[s]/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/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</p>
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	<p>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 “Notes”) described in the Final Terms dated [insert date] (the “Final Terms”) published by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) [Australia 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.”</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 [Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom] during the Offer Period specified below. Together with the [Dealer[s]/Manager[s]], 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 requirements 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 [Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom] [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> <p>[Not Applicable. The Notes are being offered on an exempt basis pursuant to Article 3(2) of the Prospectus Directive. The Issuer has not given its consent for any financial intermediary or other offeror to use the Base Prospectus in connection with any offer of the Notes.]</p>
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<b>Section B – Issuer</b>		
<b>Element</b>	<b>Title</b>	
<b>B.1</b>	<b>The legal and commercial name of the Issuer:</b>	[Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)] [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch] 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 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 deterioration in economic conditions, or Rabobank Group’s inability to accurately predict or respond to such developments, could have a material adverse effect on Rabobank Group’s prospects, business, financial condition and results of operations.  The Issuer expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in 2015, 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>	The independent auditor’s reports on the Issuer’s audited financial statements for the years ended 31 December 2013 and 31 December 2014 are unqualified.
<b>B.12</b>	<b>Selected Financial Information:</b>	The following selected financial information is derived from and should be read in conjunction with, Rabobank Group’s audited consolidated financial statements as at, and for the years ended, 31 December 2013 and 2014. Certain figures for the year ended 31 December 2013 have been restated as a result of changes in accounting policies and presentation.  <b><i>Consolidated statement of financial position</i></b>  <b><i>As at 31 December</i></b>

Summary of the Programme relating to PD Notes

	<b>2014</b>	<b>2013</b> <b>(restated)</b>
	<i>(in millions of euros)</i>	
<b>Assets</b>		
Cash and cash equivalents .....	43,409	43,039
Due from other banks .....	45,302	40,787
Financial assets held for trading...	4,279	5,289
Other financial assets at fair value through profit or loss .....	4,325	4,939
Derivative financial instruments....	56,489	39,703
Loans to customers .....	462,447	455,909
Available-for-sale financial assets	39,770	46,552
Investments in associates and joint ventures .....	3,807	3,747
Intangible assets.....	2,059	1,991
Property and equipment .....	7,148	6,901
Investment properties .....	452	1,055
Current tax assets .....	211	170
Deferred tax assets .....	2,501	1,910
Other assets .....	8,560	8,030
Non-current assets held for sale and discontinued operations.....	327	9,073
<b>Total assets</b> .....	<b>681,086</b>	<b>669,095</b>
	<b>As at 31 December</b>	
	<b>2014</b>	<b>2013</b> <b>(restated)</b>
	<i>(in millions of euros)</i>	
<b>Liabilities</b>		
Due to other banks .....	17,883	14,745
Due to customers .....	326,471	326,222
Debt securities in issue.....	189,060	195,361
Derivative financial instruments and other trade liabilities.....	67,560	50,171
Other debts.....	8,047	7,749
Other financial liabilities at fair value through profit or loss .....	19,744	19,069
Provisions.....	794	1,050

Summary of the Programme relating to PD Notes

Current tax liabilities .....	255	266
Deferred tax liabilities .....	473	288
Subordinated debt .....	11,928	7,815
Liabilities held for sale and discontinued operations.....	-	7,825
<b>Total liabilities</b>	<b>642,215</b>	<b>630,561</b>
<b>Equity</b>		
Equity of Rabobank Nederland and local Rabobanks .....	24,894	23,731
Equity instruments issued directly		
Rabobank Certificates .....	5,931	5,823
Capital Securities.....	6,349	7,029
	<b>12,280</b>	<b>12,852</b>
Equity instruments issued by subsidiaries		
Capital Securities.....	181	236
Trust Preferred Securities III to VI	1,043	1,269
	1,224	<b>1,505</b>
Other non-controlling interests .....	473	446
<b>Total equity</b> .....	<b>38,871</b>	<b>38,534</b>
<b>Total equity and liabilities</b> .....	<b>681,086</b>	<b>669,095</b>
<b>Consolidated statement of income</b>		
	<b>Year ended 31 December</b>	
	<b>2014</b>	<b>2013</b>
		<b>(restated)</b>
	<i>(in millions of euros)</i>	
Interest income .....	18,638	19,707
Interest expense .....	9,520	10,612
<b>Interest</b> .....	<b>9,118</b>	<b>9,095</b>
Commission income .....	2,075	2,189
Commission expense .....	196	188
<b>Commission</b> .....	<b>1,879</b>	<b>2,001</b>
Income from associates.....	81	79
Net income from financial assets and liabilities at fair value through profit or loss .....	219	232
Gains (losses) on available-for-	418	56

Summary of the Programme relating to PD Notes

		<table> <tr> <td>sale financial assets .....</td> <td></td> <td></td> </tr> <tr> <td>Other income .....</td> <td>1,142</td> <td>1,567</td> </tr> <tr> <td><b>Income .....</b></td> <td><b>12,857</b></td> <td><b>13,030</b></td> </tr> <tr> <td>Staff costs.....</td> <td>5,086</td> <td>5,322</td> </tr> <tr> <td>Other administrative expenses .....</td> <td>2,532</td> <td>3,910</td> </tr> <tr> <td>Depreciation .....</td> <td>437</td> <td>528</td> </tr> <tr> <td><b>Operating expenses .....</b></td> <td><b>8,055</b></td> <td><b>9,760</b></td> </tr> <tr> <td>Value adjustments .....</td> <td>2,633</td> <td>2,643</td> </tr> <tr> <td>Bank tax and resolution levy .....</td> <td>488</td> <td>197</td> </tr> <tr> <td><b>Operating profit before taxation .....</b></td> <td><b>1,681</b></td> <td><b>430</b></td> </tr> <tr> <td>Taxation.....</td> <td>(161)</td> <td>88</td> </tr> <tr> <td>Net profit from continuing operations.....</td> <td>1,842</td> <td>342</td> </tr> <tr> <td>Net profit from discontinued operations.....</td> <td>-</td> <td>1,665</td> </tr> <tr> <td><b>Net profit.....</b></td> <td><b>1,842</b></td> <td><b>2,007</b></td> </tr> <tr> <td>Of which allocable to Rabobank Nederland and local Rabobanks ..</td> <td>620</td> <td>929</td> </tr> <tr> <td>Of which allocable to holders of Rabobank Certificates .....</td> <td>385</td> <td>309</td> </tr> <tr> <td>Of which allocable to Capital Securities.....</td> <td>705</td> <td>655</td> </tr> <tr> <td>Of which allocable to Trust Preferred Securities III to VI .....</td> <td>74</td> <td>67</td> </tr> <tr> <td>Of which allocable to other non-controlling interests.....</td> <td>58</td> <td>47</td> </tr> <tr> <td><b>Net profit for the year .....</b></td> <td><b>1,842</b></td> <td><b>2,007</b></td> </tr> </table> <p><b>Material/significant change:</b></p> <p>In January 2015 Rabobank issued EUR 1.5 billion Additional Tier 1 securities. There has been no other 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 2014.</p>	sale financial assets .....			Other income .....	1,142	1,567	<b>Income .....</b>	<b>12,857</b>	<b>13,030</b>	Staff costs.....	5,086	5,322	Other administrative expenses .....	2,532	3,910	Depreciation .....	437	528	<b>Operating expenses .....</b>	<b>8,055</b>	<b>9,760</b>	Value adjustments .....	2,633	2,643	Bank tax and resolution levy .....	488	197	<b>Operating profit before taxation .....</b>	<b>1,681</b>	<b>430</b>	Taxation.....	(161)	88	Net profit from continuing operations.....	1,842	342	Net profit from discontinued operations.....	-	1,665	<b>Net profit.....</b>	<b>1,842</b>	<b>2,007</b>	Of which allocable to Rabobank Nederland and local Rabobanks ..	620	929	Of which allocable to holders of Rabobank Certificates .....	385	309	Of which allocable to Capital Securities.....	705	655	Of which allocable to Trust Preferred Securities III to VI .....	74	67	Of which allocable to other non-controlling interests.....	58	47	<b>Net profit for the year .....</b>	<b>1,842</b>	<b>2,007</b>
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<b>B.13</b>	<b>Recent material events particular to the Issuer's solvency:</b>	<p>In January 2015 Rabobank issued EUR 1.5 billion Additional Tier 1 securities. There are no other recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.</p>																																																												

<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. The Central Delegates Assembly has a significant influence on the views adopted in Rabobank Group. The General Meeting of Rabobank is the body through which all local Rabobanks can exercise direct control. The General Meeting of Rabobank deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations and the appointment of members of the Supervisory Board. The financial performance of the Issuer is dependent upon the performance of the independent local Rabobanks and the subsidiaries within Rabobank Group.
<b>B.15</b>	<b>Principal activities of the Issuer:</b>	Rabobank Group is an international financial services provider operating on the basis of cooperative principles. It offers retail and business banking, private banking, wholesale banking, leasing and real estate services.
<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>	<p><i>Programme Summary:</i></p> <p>Senior long-term Notes issued under the Programme by Rabobank 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.</p> <p>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 A+ by Standard &amp; Poor's.</p> <p>Rabobank's long-term deposits and senior debt ratings are rated AA (high) by DBRS.</p> <p>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.</p> <p><i>Issue specific summary:</i></p> <p>[The Notes to be issued [are not]/[have been]/[are expected to be] rated [[●] by [●]].]</p> <p>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.</p>

<b>Section C – Securities</b>	
<b>Element</b>	<b>Title</b>

<p>C.1</p>	<p><b>Type and class of the Notes:</b></p>	<p><i>Programme summary:</i></p> <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>”), in bearer form exchangeable for Registered Notes (“<b>Exchangeable Bearer Notes</b>”) or in registered form (“<b>Registered Notes</b>”) only. 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 in bearer form, without interest coupons (each, a “<b>temporary Global Note</b>”) 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 (a “<b>permanent Global Note</b>”). 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 will be registered in the name of a nominee for one or more clearing systems.</p> <p><i>Issue specific summary:</i></p> <p>Series Number: [●]</p> <p>Tranche Number: [●]</p> <p>[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] (the “<b>Existing Notes</b>”).]</p> <p>Aggregate nominal amount:</p> <p>[(i)] Series: [●]</p> <p>[(ii)] Tranche: [●]</p> <p>Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]</p> <p>Form of Notes: [Bearer/Registered]</p>
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Summary of the Programme relating to PD Notes

		<p>ISIN Code: [●]          [(If fungible with an existing Series insert.)          [Pending consolidation with the Existing Notes: [●]          Following consolidation with the Existing Notes: [●]]</p> <p>Common Code: [●]</p>
C.2	Currencies:	<p><i>Programme summary:</i>          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).</p> <p><i>Issue specific summary:</i>          The Specified Currency of the Notes is [●].</p>
C.5	A description of any restrictions on the free transferability of the Notes:	<p><i>Programme summary:</i>          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 European Economic Area, the Argentine Republic, Australia, Brazil, Canada, Chile, the People’s Republic of China, Dubai International Financial Centre, Finland, the Republic of France, Guernsey, Hong Kong, Hungary, Ireland, Israel, the Republic of Italy, Japan, Jordan, Lithuania, Macau, Monaco, the Netherlands, New Zealand, Norway, Qatar, Russia, San Marino, Singapore, the Republic of South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, the Republic of Turkey, Ukraine, United Arab Emirates, United Kingdom, United Mexican States and the United States.</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) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (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) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (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).</p>



		<p><i>Issue specific summary:</i></p> <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>
<p><b>C.8</b></p>	<p><b>Description of the rights attached to the Notes:</b></p>	<p><b>Ranking (status):</b></p> <p>The Notes [and the 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 [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 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 [and Australia]<sup>1</sup>, 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 becomes bankrupt, an administrator is appointed, or an</li> </ul>

<sup>1</sup> Only where Rabobank Australia Branch is the Issuer.

		<p>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 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 the Issuer;</p> <p>(d) the Issuer compromises with its creditors generally or such measures are officially decreed; and</p> <p>(e) 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> 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> The Notes[,/and] [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	<p><b>Interest, maturity and redemption provisions, yield and representative of the Noteholders:</b></p>	<p><b>Interest:</b> <i>Programme summary:</i> <b>Fixed Rate Notes:</b> Fixed Rate Notes bear interest at the fixed rate(s) of interest specified in the relevant Final Terms. The rate of interest will remain constant. <b>Floating Rate Notes:</b> Floating Rate Notes bear interest at a variable rate either determined (a) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service, together with the (positive or negative) margin (if any). If applicable, the margin will remain constant, unless the relevant Final Terms provide that such margin in any interest period will increase or decrease compared with the margin applicable to the preceding interest period. <b>Zero Coupon Notes:</b> Zero Coupon Notes will be offered and sold at a discount to, or at 100 per cent. of, their nominal amount. Zero Coupon Notes do not bear interest and an investor will not receive any return on the Notes until redemption. <b>Inverse Floating Rate Notes:</b> Inverse Floating Rate Notes bear interest (if any) at a rate determined by reference to a floating rate (determined in accordance with (a) or (b) of “<i>Floating Rate Notes</i>” above) or the mathematical sum of or difference between two such floating rates (the “<b>Inverse Rate</b>”), and may be subject to a minimum amount. The rate of interest applicable in respect of an interest period is calculated by</p>

		<p>reference to one of the following formulae (as specified in the relevant Final Terms):</p> <p><u>INV(1)</u>: The rate of interest will be calculated by subtracting from a margin, the relevant reference rate or floating rate option (as the case may be).</p> <p><u>INV(2)</u>: The rate of interest will be calculated by multiplying an inverse rate by a gearing factor and subtracting the result from a margin.</p> <p><u>INV(3)</u>: The rate of interest will be calculated by multiplying an inverse rate by a gearing factor and subtracting the result from the rate of interest calculated for the immediately preceding interest period.</p> <p><u>INV(4)</u>: The rate of interest will be calculated by (a) multiplying the sum of an inverse rate and a margin by a gearing factor, and (b) subtracting the resulting amount in (a) from the rate of interest calculated for the immediately preceding interest period.</p> <p><u>INV(5)</u>: The rate of interest will be calculated by (a) multiplying an inverse rate by a gearing factor and (b) subtracting the resulting amount in (a) from the sum of the rate of interest calculated for the immediately preceding interest period and a margin.</p> <p><u>INV(6)</u>: The rate of interest will be the greater of (a) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.</p> <p><u>INV(7)</u>: The rate of interest will be the lesser of (a) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.</p> <p><u>INV(8)</u>: The rate of interest will be the lesser of (a) the greater of (i) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (ii) the sum of another margin and the rate of interest calculated for the immediately preceding interest period, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.</p> <p><b>Range Accrual Notes</b>: Range Accrual Notes bear interest (if any) at a variable rate determined by reference to a floating rate (determined in accordance with paragraph (a) or (b) of “<i>Floating Rate Notes</i>” above) depending on how many days such floating rate is above or below a specified barrier or within a specified range (based upon whether certain specified conditions are satisfied) during a specified observation period. Interest is calculated by reference to one of the following formulae (as specified in the relevant Final Terms):</p> <p><u>RAN(1)</u>: The rate of interest will be product of (a) an applicable rate and (b) a Range Accrual Fraction, where the “<b>Range Accrual Fraction</b>” is the resulting fraction of the quotient of (i) the number of fixing days during the relevant interest period on which a specified accrual rate falls inside or outside a specified range and (ii) the total number of fixing days in the relevant interest period.</p> <p><u>RAN(2)</u>: The rate of interest will be product of (a) a Range Accrual Fraction and (b) the sum of an applicable rate and a margin.</p> <p><u>RAN(3)</u>: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) an applicable rate multiplied by a gearing factor and a</p>
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	<p>margin added to the result.</p> <p><u>RAN(4)</u>: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) the lesser of (i) an applicable rate multiplied by a gearing factor, and a margin added to the result, and (ii) the Maximum Rate of Interest.</p> <p><u>RAN(5)</u>: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) the greater of (i) an applicable rate multiplied by a gearing factor, and a margin added to the result, (ii) a minimum interest rate.</p> <p><b>CMS Linked Notes</b>: CMS Linked Notes bear interest (if any) at a rate determined by reference to one or more swap rates. The amount of interest payable is proportionate to either a single swap rate, the mathematical sum of or difference between two such swap rates or calculated in accordance with another of the formulae detailed below, and may be subject to a minimum and/or maximum amount. The rate of interest applicable in respect of an interest period is calculated by reference to one of the following formulae (as specified in the relevant Final Terms):</p> <p><u>CMS(1)</u>: The rate of interest will be equal to a CMS rate.</p> <p><u>CMS(2)</u>: The rate of interest will be equal to a CMS rate plus a margin.</p> <p><u>CMS(3)</u>: The rate of interest will be equal to a CMS rate multiplied by a gearing factor and a margin being added to the result.</p> <p><u>CMS(4)</u>: The rate of interest will be equal to a CMS rate multiplied by a gearing factor.</p> <p><u>CMS(5)</u>: The rate of interest will be equal to a CMS rate plus a margin and the resulting amount being multiplied by a gearing factor.</p> <p><u>CMS(6)</u>: The rate of interest will be equal to the difference between two different CMS rates.</p> <p><u>CMS(7)</u>: The rate of interest will be the product of (a) the difference between two different CMS rates, and a margin added to the result, and (b) a gearing factor.</p> <p><u>CMS(8)</u>: The rate of interest will be the sum of (a) the product of (i) the difference between two different CMS rates and (ii) a gearing factor, and (b) a margin.</p> <p><u>CMS(9)</u>: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) an applicable rate (which, for the avoidance of doubt, will be a different rate to the CMS rate) multiplied by another gearing factor, and another margin added to that result.</p> <p><u>CMS(10)</u>: The rate of interest will be the lesser of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) an applicable rate (which, for the avoidance of doubt, will be a different rate to the CMS rate) multiplied by another gearing factor, and another margin added to that result.</p> <p><u>CMS(11)</u>: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) another CMS rate multiplied by another gearing factor, and another margin added to that result.</p> <p><u>CMS(12)</u>: The rate of interest will be the lesser of (a) a CMS rate multiplied</p>
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	<p>by a gearing factor, and a margin added to that result, and (b) another CMS rate multiplied by another gearing factor, and another margin added to that result.</p> <p><u>CMS(13)</u>: The rate of interest will be the difference between (a) the greater of (i) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (ii) a minimum rate of interest, and (b) the greater of (i) another CMS rate multiplied by another gearing factor, and another margin added to that result, and (ii) another minimum rate of interest.</p> <p><u>CMS(14)</u>: The rate of interest will be the difference between (a) the lesser of (i) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (ii) a maximum rate of interest, and (b) the lesser of (i) another CMS rate multiplied by another gearing factor, and another margin added to that result, and (ii) another maximum rate of interest.</p> <p><u>CMS(15)</u>: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the product of (i) the difference between two CMS rates, and a margin added to that result, and (ii) another gearing factor.</p> <p><u>CMS(16)</u>: The rate of interest will be the lesser of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the product of (i) the difference between two CMS rates, and a margin added to that result, and (ii) another gearing factor.</p> <p><u>CMS(17)</u>: The rate of interest will be the sum of a margin, and the product of a gearing factor and the greater of (a) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result.</p> <p><u>CMS(18)</u>: The rate of interest will be the sum of a margin, and the product of a gearing factor and the lesser of (a) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result.</p> <p><u>CMS(19)</u>: The rate of interest will be the product of (a) (i) first, a margin will be added to a CMS rate, (ii) secondly, the resulting amount calculated in (i) above multiplied by a gearing factor and one added to that result, (iii) thirdly, the resulting amount calculated in (ii) above raised to a power and from that result one subtracted, and (b) another gearing factor.</p> <p><u>CMSRA(1)</u>: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) an applicable rate (which rate may be a CMS rate), where the “<b>Range Accrual Fraction</b>” is the resulting fraction of the quotient of (i) the number of fixing days during the relevant interest period on which a specified accrual rate falls inside or outside the specified range and (ii) the total number of fixing days in the relevant interest period.</p> <p><u>CMSRA(2)</u>: The rate of interest will be the product of (a) the Range Accrual Fraction and (b) the sum of an applicable rate (which may be a CMS rate) and the margin.</p> <p><u>CMSRA(3)</u>: The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction, and (b) the sum of (i)</p>
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	<p>an applicable rate (which may be a CMS rate) multiplied by a gearing factor and (ii) a margin.</p> <p><b>CMSRA(4):</b> The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction and (b) the lesser of (i) an applicable rate (which may be a CMS rate) multiplied by a gearing factor, and a margin added to that result and (ii) a maximum interest rate.</p> <p><b>CMSRA(5):</b> The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction and (b) the greater of (i) an applicable rate (which may be a CMS rate) multiplied by a gearing factor, and a margin added to that result and (ii) a minimum interest rate.</p> <p><b>Variable Rate Notes:</b> Variable Rate Notes bear interest at an initial specified rate which may be varied on one or more specified dates during the term of the Notes: either by notice to the Noteholders (which variation is at the Issuer's option) or automatically on such dates. The rates of interest for Variable Rate Notes may be calculated in the same manner as Fixed Rate Notes, Floating Rate Notes, CMS Linked Notes, Inverse Floating Rate Notes, Range Accrual Notes or Zero Coupon Notes.</p> <p><i>Issue specific summary:</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 Notes. The Notes will bear a floating rate of interest from [●] of [LIBOR/LIBID/LIMEAN/GBP-ISDA-Swap Rate/EURIBOR/EONIA/STIBOR/CNH HIBOR/EUR-ISDA-EURIBOR-Swap Rate/JPY-ISDA-Swap Rate/USD-ISDA-Swap Rate] [+/-] [●] 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>[The Notes will bear interest in accordance with the following formula:  [Specify the formula set out for INV(1), INV(2), INV(3), INV(4), INV(5), INV(6), INV(7) or INV(8) from Condition 6(c), as applicable]</p> <p>Where:</p> <p>["<b>Gearing Factor</b>"] means [●];]</p> <p>["<b>Inverse Rate</b>"] means [●];]</p> <p>["<b>Margin</b>"], "<b>Margin<sub>1</sub></b>", "<b>Margin<sub>2</sub></b>" and "<b>Margin<sub>3</sub></b>"] means [●], [●], [●] and [●] respectively;] [and]</p> <p>["<b>Previous Coupon</b>"] means [●].] [To be used where Condition 6(b)(iii)(D) is applicable]]</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>
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	<p><b>[Inverse Floating Rate Notes:</b></p> <p>The Notes are Inverse Floating Rate Notes. [The Notes will bear a floating rate of interest from [●] of [●] per cent. - [LIBOR/LIBID/LIMEAN/GBP-ISDA-Swap Rate/EURIBOR/EONIA/STIBOR/CNH HIBOR/EUR-ISDA-EURIBOR-Swap Rate/JPY-ISDA-Swap Rate/USD-ISDA-Swap Rate]] [per annum] payable [annually/semi-annually/quarterly/monthly] in arrear on [●] in each year, subject to adjustment in accordance with the [●] Business Day Convention.]/[The Notes will bear interest in accordance with the following formula:</p> <p><i>[Specify the formula set out for INV(1), INV(2), INV(3), INV(4), INV(5), INV(6), INV(7) or INV(8) from Condition 6(c), as applicable]</i></p> <p>Where:</p> <p>["<b>Gearing Factor</b>"] means [●];]</p> <p>["<b>Inverse Rate</b>"] means [●];]</p> <p>["<b>Margin</b>"], "<b>Margin<sub>1</sub></b>", "<b>Margin<sub>2</sub></b>" and "<b>Margin<sub>3</sub></b>" means [●], [●], [●] and [●] respectively;] [and]</p> <p>["<b>Previous Coupon</b>"] 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>[Specify the formula set out for RAN(1), RAN(2), RAN(3), RAN(4) or RAN(5) from Condition 6(d), as applicable]</i></p> <p>Where:</p> <p>["<b>Accrual Range</b>"] means [●];]</p> <p>["<b>Accrual Rate</b>"] means [●];]</p> <p>["<b>Applicable Rate</b>"] means [●];]</p> <p>["<b>Gearing Factor</b>"] means [●];] [and]</p> <p>["<b>Margin</b>", "<b>Minimum Rate of Interest<sub>1</sub></b>" and "<b>Maximum Rate of Interest<sub>1</sub></b>" means [●], [●] and [●] respectively.]]</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>[Specify the formula set out for CMS(1), CMS(2), CMS(3), CMS(4), CMS(5), CMS(6), CMS(7), CMS(8), CMS(9), CMS(10), CMS(11), CMS(12), CMS(13), CMS(14), CMS(15), CMS(16), CMS(17), CMS(18), CMS(19), CMSRA(1), CMSRA(2), CMSRA(3), CMSRA(4) or CMSRA(5) from Condition 6(e) as applicable]</i></p> <p>Where:</p> <p>["<b>Accrual Range</b>"] means [●];]</p> <p>["<b>Accrual Rate</b>"] means [●];]</p> <p>["<b>Applicable Rate</b>"] means [●];]</p> <p>["<b>CMS Rate</b>"], "<b>CMS Rate<sub>1</sub></b>", "<b>CMS Rate<sub>2</sub></b>", "<b>CMS Rate<sub>3</sub></b>" and "<b>CMS Rate<sub>4</sub></b>" means [●], [●], [●], [●] and [●] respectively;]</p> <p>["<b>Gearing Factor</b>"], "<b>Gearing Factor<sub>1</sub></b>", "<b>Gearing Factor<sub>2</sub></b>", "<b>Gearing Factor<sub>3</sub></b>", "<b>Gearing Factor<sub>4</sub></b>" and "<b>Gearing Factor<sub>5</sub></b>" means [●], [●], [●],</p>
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	<p>[●], [●] and [●] respectively;]</p> <p>["Margin", ["Margin<sub>1</sub>", "Margin<sub>2</sub>" and "Margin<sub>3</sub>"] means [●][, [●], [●] and [●] respectively;]</p> <p>["Minimum Rate of Interest<sub>1</sub>", "Minimum Rate of Interest<sub>2</sub>", "Maximum Rate of Interest<sub>1</sub>" and "Maximum Rate of Interest<sub>2</sub>"] means [●][, [●], [●] and [●], respectively]; [and]</p> <p>["Power" means [●];]</p> <p><b>Maturity:</b></p> <p><i>Programme summary:</i></p> <p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have a maturity between seven days and perpetuity, as agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes and specified in the relevant 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 and specified in the relevant Final Terms.</p> <p><i>Issue specific summary:</i></p> <p>The maturity date of the Notes is [[●]/the Interest Payment Date falling in or nearest to [●]<sup>2</sup>]. 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>Early redemption:</b></p> <p><i>Programme summary:</i></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 automatic early 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 and specified in the relevant Final Terms.</p>
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<sup>2</sup> Complete for Floating Rate Notes.



		<p><i>Issue specific summary:</i></p> <p><b>Issuer call option:</b> [Applicable/Not Applicable]<sup>3</sup></p> <p>Optional Redemption Date(s): [●]</p> <p>Optional Redemption Amount(s): [●] per Calculation Amount/ Condition 7(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>Investor put option:</b> [Applicable/Not Applicable]<sup>4</sup></p> <p>Optional Redemption Date(s): [●]</p> <p>Optional Redemption Amount(s): [●] per Calculation Amount/ Condition 7(b) applies</p> <p>Notice Period: [●]</p> <p><b>Automatic Early Redemption:</b> [Applicable/Not Applicable]<sup>5</sup></p> <p>Automatic Early Redemption Amount: [●] per Calculation Amount</p> <p>Automatic Early Redemption Commencement Date: [●]</p> <p>Maximum Interest Amount: [●] per Calculation Amount</p> <p>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>Representative of holders:</b> Not Applicable.</p> <p><b>Fiscal Agent:</b> Deutsche Bank AG, London Branch.</p>
<p><b>C.10</b></p>	<p><b>Derivative component in interest payments:</b></p>	<p>Not Applicable. PD Notes issued under the Programme do not contain any derivative components.</p>

<sup>3</sup> If not applicable, delete the remaining sub-paragraphs of the paragraph.

<sup>4</sup> If not applicable, delete the remaining sub-paragraphs of the paragraph.

<sup>5</sup> If not applicable, delete the remaining sub-paragraphs of the paragraph.

C.11	<b>Listing and admission to trading:</b>	<p><i>Programme summary:</i> Notes may be listed on Euronext Amsterdam, on the regulated market of the Luxembourg Stock Exchange or may be issued on an unlisted basis.</p> <p><i>Issue specific summary:</i> [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.]</p>
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<b>Section D – Summary Risk Factors</b>		
<b>Element</b>	<b>Title</b>	
D.2	<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> <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> </ul>

		<ul style="list-style-type: none"> <li>• competition;</li> <li>• geopolitical developments;</li> <li>• terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events; and</li> <li>• key employees.</li> </ul>
<p><b>D.3</b></p>	<p><b>Key information on the key risks that are specific to the Notes:</b></p>	<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]<sup>6</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> </ul> <p><i>Programme summary:</i></p> <ul style="list-style-type: none"> <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, Inverse Floating Rate Notes, CMS Linked Notes, Range Accrual Notes and Variable Rate 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, Inverse Floating Rate Notes, CMS Linked Notes, Range Accrual Notes and Variable Rate Notes in advance.</li> <li>• <i>Notes issued at a discount:</i> the market value 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 prices for conventional interest-bearing securities do. 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> <p><i>Issue specific summary:</i></p> <ul style="list-style-type: none"> <li>• <i>Interest rate risks:</i> [a holder of the Notes is exposed to the risk that</li> </ul>

<sup>6</sup> Delete in issue specific summary if the Notes are not rated.

		<p>the price of the Notes falls as a result of changes in the market interest rate.]<sup>7</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>8</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>9</sup></li> </ul>
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Section E – Offer		
Element	Title	
E.2b	<b>Reasons for the offer and use of proceeds:</b>	<p><i>Programme summary:</i></p> <p>The net proceeds from each issue of Notes will be used by the Issuer in connection with its banking business unless otherwise specified in the relevant Final Terms with respect to a specific Tranche of Notes.</p> <p><i>Issue specific summary:</i></p> <p>The net proceeds from each issue of Notes will be used by the Issuer [in connection with its banking business.][●]</p>
E.3	<b>Terms and Conditions of the Offer:</b>	<p><i>Programme summary:</i></p> <p>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.</p> <p><i>Issue specific summary:</i></p> <p>[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</p>

<sup>7</sup> Include only for Fixed Rate Notes.

<sup>8</sup> Include only for Floating Rate Notes, CMS Linked Notes and Range Accrual Notes.

<sup>9</sup> Include only for Zero Coupon Notes.

		<p>be agreed between them and/or as specified in the arrangements in place between them.] / [●]</p> <p>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>Description of possibility to reduce subscriptions: [Not Applicable. The terms of the Public Offer do not provide for any reduction of subscriptions.] / [●]</p> <p>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.] / [●]</p> <p>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>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>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>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>
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<p><b>E.4</b></p>	<p><b>Interests of natural and legal persons involved in the issue of the Notes:</b></p>	<p><i>Programme summary:</i></p> <p>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.</p> <p><i>Issue specific summary:</i></p> <p>[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]/[●]</p>

<p><b>E.7</b></p>	<p><b>Estimated expenses charged to the investor by the Issuer or the offeror:</b></p>	<p><i>Programme summary:</i>                  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 Tranche of Notes. If so, details will be included in the issue-specific summary attached to the relevant Final Terms.</p> <p><i>Issue specific summary:</i>                  [There are no expenses charged to the investor by the Issuer]/[The following expenses are to be charged to the investor by [the Issuer/[•]]/[•]</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 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 2014, the Dutch economy showed signs of a possible recovery. The still difficult economic circumstances have resulted in reduced borrowing and interest rates and above average impaired loans in line with the levels of 2013. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. Interest rates remained low in 2014 and due to the measures taken by the European Central Bank (the “**ECB**”) intended to stimulate European economies, declined further at the beginning of 2015. Persistent low interest rates have negatively affected and continue to negatively affect the net interest income of Rabobank Group. Also, a prolonged economic downturn, or significantly higher interest rates for customers, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, a market downturn and worsening of the Dutch and global economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from commissions and interest. See “Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors affecting results of operations — General market conditions”. Continuing volatility in the financial markets or a protracted economic downturn in the Rabobank Group's major markets could have a material adverse effect on Rabobank Group's results of operations.

#### ***Credit risk***

Credit risk is defined as the risk that a bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A “credit” is each legal relationship on the basis of which Rabobank Group, in its role as financial services provider, can or will obtain a claim on a debtor by providing a product. In addition to loans and facilities (with or without commitment), credit as a generic term also includes, among other things, guarantees, letters of credit



and derivatives. An economic downturn or the persistence 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**

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 defined within the Rabobank Group as “the risk of losses resulting from inadequate or failed internal processes, people or systems or by external events”. Rabobank Group operates within the current regulatory framework as regards measuring and managing operational risk, including holding capital for this risk. Events of recent decades in modern international banking have shown that operational risks can lead to substantial losses. Examples of operational risk incidents are highly diverse: fraud or other illegal conduct, failure of an institution to have policies and procedures and controls in place to prevent, detect and report incidents of non-compliance with applicable laws or regulations, claims relating to inadequate products, inadequate documentation, losses due to poor occupational health and safety conditions, errors in transaction processing and system failures. The occurrence of any such incidents or additional cost of complying with new regulation could have a material adverse effect on Rabobank Group’s reputation and results of operations.

**Legal risk**

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

**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 or lead to regulatory enforcement action or may have a negative impact on Rabobank Group’s reputation.

**Systemic risk**

Rabobank Group could be negatively affected by the weakness 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, crisis management, asset quality review, recovery and resolution and other policies of central banks and regulatory authorities, changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates, increased capital requirements and changes relating to capital treatment, changes and rules in competition and pricing environments, developments in the financial reporting environment, stress-testing exercises to which financial institutions are subject, implementation of conflicting or incompatible regulatory requirements in different jurisdictions relating to the same products or transactions, or unfavourable developments producing social instability or legal uncertainty which, in turn, may affect demand for Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

As of 1 October 2012, the Dutch government introduced a bank tax for all entities that are authorised to conduct banking activities in the Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as 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. Rabobank Group was charged a total of €167 million in bank tax in 2014.

On 1 February 2013, the Dutch state nationalised the Dutch banking and insurance group SNS Reaal. To finance this operation, a special, one-off resolution levy of €1 billion was imposed on banks based in the Netherlands. Rabobank Group's share of the resolution levy was €321 million and had an adverse effect on Rabobank Group's results of operations in 2014. If further financial institutions are bailed out, additional taxes or levies could be imposed, which may have a material adverse effect on Rabobank Group's results of operations.

Moreover, in July 2015, a new way of financing the Dutch deposit guarantee scheme (the "**Dutch Deposit Guarantee Scheme**"), a pre-funded system that protects bank depositors from losses caused by a bank's inability to pay its debts when due, will come into force. The target level of the scheme 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. The Dutch Deposit Guarantee Scheme was originally planned to be introduced in 2012, however, the introduction of the new financing method was postponed to 1 July 2015. Furthermore the Single Resolution Mechanism (see the risk factor entitled "*Bank recovery and resolution regimes*") and other new European rules on deposit guarantee schemes will both have an impact on the Rabobank Group in the years to come. All these factors may have material adverse effects on Rabobank Group's results of operations.

In February 2013, the European Commission issued a proposal for a financial transactions 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 parties 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. The proposal requires further approval by the Council of the European Union, and will require consultation with other European Union institutions before it may be implemented by the participating member states. Currently the proposal is still under discussion, given broad opposition in a number of countries as well as outstanding legal issues. The Dutch Parliament has not adopted the proposal, but may do so in the future. The financial transactions tax, if implemented, may have a material adverse effect on Rabobank Group's results of operations.

As of 1 July 2014, a personal mortgage loan may not be higher than €265,000 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 2015, this maximum will be reduced to €245,000 and as of 1 July 2016 to €225,000.

Since 1 January 2013, the tax deductibility of mortgage loan interest payments for Dutch homeowners has been restricted; interest payments on new mortgage loans can only be deducted if the loan amortises within 30 years on a linear or annuity basis. Moreover, the maximum permissible amount of a residential mortgage has been reduced from 104 per cent. in 2014, to 103 per cent. in 2015 of the value of the property. This maximum will be further reduced (by 1 percentage point each year) to 100 per cent. in 2018. In addition to these changes, further restrictions on tax deductibility of mortgage loan interest payments entered into force as of 1 January 2014. The tax rate against which the mortgage interest payments may be deducted is being gradually reduced beginning 1 January 2014. For taxpayers previously deducting mortgage interest at the highest income tax rate (52 per cent.), the interest deductibility will decrease annually at a rate of 0.5 percentage points, from 52 per cent. to 38 per cent. in 2042. Changes in governmental policy or regulation with respect to the Dutch housing market 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 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 United States Commodity Futures Trading Commission ("**CFTC**") and the Financial Stability Oversight Council (the "**FSOC**"). While many of the implementing rules have been finalised, significant uncertainty remains about the implementation, timing and impact of many of such rules.

The Dodd-Frank Act provides for new or enhanced regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital and prudential standards, (iii) the resolution of failing systemically significant financial institutions, (iv) OTC derivatives, (v) the ability of banking entities to engage in proprietary trading activities and invest in hedge, private equity and other similar funds (the so-called "**Volcker Rule**") and (vi) consumer and investor protection. Implementation of the Dodd-Frank Act and related final regulations is expected to take several years and 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.

On 10 December 2013, the five U.S. federal financial regulatory agencies adopted final regulations to implement the Volcker Rule. The regulations will impose limitations and significant costs across all of Rabobank Group's subsidiaries and affiliates and their activities in scope for the Volcker Rule. While the regulations contain a number of exceptions and exemptions that may permit Rabobank Group to maintain certain of its trading and fund businesses and operations, particularly those outside of the United States, aspects of those business may have to be modified to comply with the Volcker Rule.

Further, Rabobank Group will be required to spend sufficient resources, which may be significant, to develop a Volcker Rule compliance program mandated by the final regulations. The transitional conformance period for the Volcker Rule generally ends on 21 July 2015, although the Federal Reserve has effectively granted a two-year extension for certain legacy funds. Rabobank Group must conform its activities to the Volcker Rule and implement the compliance program by the end of the conformance period applicable to the relevant activity.

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

The Federal Reserve did not finalise (but continues to consider) requirements relating to single counterparty credit limits and an “early remediation” framework under which the Federal Reserve would implement prescribed restrictions and penalties against an FBO and its U.S. operations and certain of its officers and directors, if the FBO and/or its U.S. operations do not meet certain requirements, and would authorise the termination of U.S. operations under certain circumstances.

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

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

The impact of future regulatory requirements, including the Basel III Reforms (as defined below), the Bank Recovery and Resolution Directive (as defined below), sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**” and such sections of the Code and the regulations thereunder being commonly referred to as “**FATCA**”), the framework recovery plan, the Volcker Rule, the Banking Reform Act 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 the Rabobank Group's management, employees and information technology.

Furthermore, the EBA has issued a consultation paper which requires European banks to hold resources in order to fulfil a Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"). MREL will be implemented from 1 January 2016 using a phased approach with final implementation by 1 January 2019, but the calibration for the quantum of MREL and the consequences of not fulfilling the MREL requirements are still unclear. A comparable concept for loss absorption, Total Loss Absorbing Capacity (TLAC), is under discussion internationally, which could influence the implementation of MREL.

### **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 its minimum regulatory capital requirements, any additional own funds requirements and/or any buffer capital requirements. Capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of Rabobank Group to maintain its "Pillar 1" minimum regulatory capital ratios, any "Pillar 2" additional own funds requirements and/or any buffer capital requirements 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.

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

The Basel III Reforms are being implemented in the European Economic Area (the "**EEA**") through the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**", and together with the CRR, "**CRD IV**"), which were adopted in June 2013. The CRR entered into force on 1 January 2014 and the CRD IV Directive became effective in the Netherlands on 1 August 2014 when the provisions of the CRD IV were implemented by legislation amending the Dutch Financial Supervision Act and subordinate legislation, although particular requirements will be phased in over a period of time, to be fully effective by various dates up to 31 December 2021. The EBA has proposed, and will continue to propose detailed rules through binding technical standards during the period from 2014 to 2016 for many areas including, *inter alia*, liquidity requirements and certain aspects of capital requirements.

It is possible that the ECB and/or the EBA may implement the Basel III Reforms and CRD IV in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

At the end of December 2014, the Basel Committee issued two Consultative Documents: "Revisions to the Standardized Approach for credit risk" and "Capital floors: the design of a framework based on standardized approaches". The Basel Committee is seeking to reduce reliance on external credit ratings and internal models and aims to enhance the comparability of risk weighted assets and capital ratios. While most (large) banks now calculate capital with advanced risk sensitive models, the

Basel Committee proposes to put 'capital floors' on the 'standardized method'. In particular, low risk portfolios with good collateral are affected as it is expected that the capital floor will have a greater impact than for portfolios which are assessed to have a higher risk based upon the Advanced Internal Rating approach. This may lead to higher capital requirements.

Proposals are in the consultation and impact study phase. The Basel Committee intends to publish the final standard, including its calibration and implementation arrangements, around the end of 2015. The implementation date is not yet defined.

Currently, only Rabobank, N.A. is subject to U.S. capital adequacy standards. However, under section 171 of the Dodd-Frank Act (the "**Collins Amendment**") Utrecht-America Holdings, Inc., which holds Rabobank, N.A. and many of the Group's U.S. non-bank subsidiaries, will become subject to U.S. capital adequacy standards from 21 July 2015. Those standards will require Rabobank Group to maintain capital at the level of Utrecht-America Holdings, Inc. rather than relying on capital maintained at Rabobank Group's top-level parent company. This could prevent Rabobank Group from deploying that capital more efficiently in accordance with its subsidiaries' business needs, which could increase the costs of the Group's operations and may result in capital deficiencies elsewhere in Rabobank Group.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, 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.

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

### ***Credit ratings***

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

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

### ***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 North Korea and Iran's nuclear programme), social unrest (such as the continuing turmoil in Ukraine which resulted in EU sanctions against Russia, and 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 and financial crises have significantly undermined investor confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's 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.

#### ***Automatic Early Redemption***

The Issuer may issue Notes with an automatic early redemption feature. If applicable, all the Notes will redeem early on a specified Automatic Early Redemption Date prior to the scheduled maturity date following the occurrence of a specified trigger event. Upon early redemption, the Issuer will pay an amount per Note equal to a specified percentage of the Calculation Amount, together with the Interest Amount (if any) accrued to (but excluding) the Automatic Early Redemption Date. Investors may receive a greater amount but bear the risk that they may receive a lesser amount, to that which would have been paid on the scheduled maturity date in the event that the Notes are redeemed early.

#### **Fixed Rate Notes**

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

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

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

#### **Floating Rate Notes**

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

#### **Zero Coupon Notes**

The Issuer may issue Zero Coupon Notes. Such Notes will bear no interest and an investor will receive no return on the Notes until redemption. Any investors holding these Notes will be subject to the risk that the amortised yield in respect of the Notes may be less than market rates.

**Variable Rate Notes**

The Issuer may issue Variable Rate Notes. The rate of interest of such Notes may be varied during the term of the Notes. The relevant Final Terms will specify an initial interest period, together with the Rate of Interest that applies to such period (the “**initial rate**”), and one or more variable interest periods, together with the corresponding rate(s) of interest (each, a “**varied rate**”).

The rates of interest for Variable Rate Notes may be calculated in the same manner as Fixed Rate Notes, Floating Rate Notes, Inverse Floating Rate Notes, CMS Linked Notes, Range Accrual Notes or Zero Coupon Notes.

If “Variation Notice” is specified to apply, the varied rate(s) will apply only if the Issuer provides at least five Business Days’ notice to the Noteholders; otherwise, the initial rate will continue until the next date specified for variation of interest (if any) or to maturity. In making any such election, the Issuer is not obliged to take into account the interests of Noteholders and may exercise its discretion against their interests. If “Variation Notice” is specified not to apply, the basis of interest will automatically change to the varied rate on the date(s) specified in the relevant Final Terms.

The Issuer’s ability to vary the rate of interest will affect the secondary market and the market value of the Notes since the Issuer may be expected to vary the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer varies from a fixed rate to a floating rate, CMS linked rate, range accrual rate or inverse floating rate, the rate of interest on the Variable Rate Notes may be less favourable than the then prevailing rates of interest on comparable Floating Rate Notes, CMS Linked Notes, Range Accrual Notes or, as the case may be, Inverse Floating Rate Notes tied to the same reference rate. In addition, the new floating rate, CMS linked rate, range accrual rate or, as the case may be, inverse floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate, CMS linked rate, range accrual rate or inverse floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on other Notes.

If the Issuer varies the rate of interest to a zero coupon basis, investors will cease to receive any interest for the relevant period and may not receive a premium on redemption, whether or not the Notes were issued at a discount. If the Notes were redeemed early during a Zero Coupon Interest Rate period, the amount received on such early redemption may be calculated in a different manner than if the Notes were redeemed early during another type of interest period.

**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 Interest 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 (as Exempt 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 Issue Price of Notes specified in the relevant Final Terms may be more than the market value of such Notes as at the Issue Date, and more than the price, if any, at which a Dealer or any other person is willing to purchase the Notes in the secondary market. In particular, where permitted by applicable law, the Issue Price in respect of any Notes may take into account amounts with respect to commissions relating to the issue and sale of such Notes and amounts relating to the hedging of the Issuer's obligations under such Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result.

The market values of Notes issued at a substantial discount or premium (such as a Zero Coupon Note) 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.

**EU Savings Directive**

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") (see "Taxation — EU Savings Directive" below), an EU Member State is required to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entities established, in that other EU Member State, except that Austria instead imposes a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Savings Directive with effect as from 1 January 2015. 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.

The Council of the European Union has adopted a Directive (the "**Amending Directive**") amending the Savings Directive, which will, when implemented, inter alia, amend and broaden (i) the scope of the information reporting or withholding requirements to include payments to (or secured for) an entity or legal arrangement having its place of effective management in an EU Member State and not being subject to effective taxation, (ii) the circumstances in which an economic operator, entity or legal

arrangement may be required to report information or withhold tax, (iii) the types of payment to which the Savings Directive applies and (iv) the circumstances in which an individual resident in an EU Member State is to be treated as the beneficial owner of such payments. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

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 an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent (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. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuer is required to maintain a Paying Agent with a specified office in an EU 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, which may mitigate an element of this risk if the Noteholder or Couponholder is able to arrange for payment through such a Paying Agent. However, investors should choose their custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

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

### ***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 – United States – FATCA Withholding”) will affect the amount of any payment received by the ICSDs. 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 payments 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, including any legislation implementing intergovernmental agreements relating to FATCA, if applicable), 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. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States pursuant to FATCA (an “**IGA**”) are generally not expected to be required to withhold

under FATCA or an IGA (or any law implementing an IGA) from payments they make with respect to securities such as the Notes. Please see “Taxation – United States – FATCA withholding” for more information on this legislation.

### **Statutory loss absorption**

Directive 2014/59/EU for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or the “**BRRD**”) was published in the Official Journal of the European Union on 12 June 2014. The BRRD includes provisions (known as the bail-in tool) (to be applied by no later than 1 January 2016) 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. In addition to this general bail-in tool, the BRRD provides for resolution authorities to have the further powers permanently to write-down, or convert into equity, Additional Tier 1 capital instruments and Tier 2 capital instruments at the point of non-viability of the bank and before any resolution is commenced or concurrently with other resolution measures. These powers are expected to become effective in the Netherlands on or prior to 1 January 2016.

Accordingly, it is possible that, pursuant to the BRRD 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 converted into common equity Tier 1 capital 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.

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

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

In 2012, the Dutch legislator adopted banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the “**SMFI**”). The SMFI, enacted before the adoption of the BRRD, contains similar legislation to the rules outlined in the BRRD – see the risk factor entitled “*Statutory loss absorption*” above. Pursuant to the SMFI, substantial 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: (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.

On 14 July 2014, Regulation (EU) No 806/2014 (the “**SRM Regulation**”) was adopted by the European Council after the European Parliament approved the text in the plenary session of 15 April 2014. The SRM Regulation came into force in part on 19 August 2014. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in a framework of a single resolution mechanism and a single bank resolution fund (the “**Single Resolution Mechanism**” or “**SRM**”). The SRM Regulation establishes a single resolution board (consisting of representatives from the ECB, the European Commission and the relevant national authorities) (the “**Single Resolution Board**”) that will manage the failing of any bank in the Euro area and in other EU member states participating in the European Banking Union (as defined herein). The provisions of the SRM Regulation relating to the cooperation between the Single Resolution Board and the national resolution authorities for the preparation of the banks’ resolution plans became applicable from 1 January 2015. Under the SRM Regulation, the Single Resolution Board became fully operational as of 1 January 2015 and as from that date has the powers to collect information and cooperate with the national resolutions authorities for the elaboration of resolution planning. The Single Resolution Board is also granted the same resolution tools as those set out in the BRRD, including a bail-in tool. The SRM will start to apply from 1 January 2016.

The SMFI will be amended following the adoption of the BRRD and the SRM Regulation.

It is possible that under the SMFI, the BRRD, the Single Resolution Mechanism 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 debt instruments of the Issuer, such as the Notes, absorbing losses or otherwise affecting the rights of Noteholders either in the course of any resolution of the Issuer or, prior thereto, at the point of non-viability.

The SMFI and BRRD 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).



### **Statutory protections for creditors of Rabobank's branches**

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

### **Minimum Specified Denomination**

In relation to any issue of bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. 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**

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

### **Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into or out of the PRC**

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the U.S. dollar, despite the significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current accounts. Participating banks in Hong Kong and a number of other jurisdictions have been permitted to engage in the settlement of current account trade transactions in Renminbi.

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

On 13 October 2011, the People's Bank of China ("**PBOC**"), the central bank of the PRC, issued the *Measures on Administration of the Renminbi Settlement in relation to Foreign Direct Investment* (外商直接投資人民幣結算業務管理辦法) (the "**PBOC Renminbi FDI Measures**"), to commence the PBOC's detailed Renminbi FDI administration system, which covers almost all aspects of Renminbi foreign direct investments ("**Renminbi FDI**"), including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as Renminbi denominated

cross-border loans. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC Renminbi FDI Measures. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary.

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

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

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that any pilot scheme for Renminbi cross-border utilisation 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. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

***The availability of Renminbi outside the PRC may be limited, which may affect the liquidity of the Renminbi Notes and the Issuer’s ability to source Renminbi outside the PRC to service Renminbi Notes***

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

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

conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

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

The value of the Renminbi against the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollars or other foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollars or other applicable foreign currencies will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

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

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

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

***Risks related to 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 relevant Final Terms, in the event access to the Specified Currency becomes restricted to the extent that, by reason of a Original Currency Unavailability Event (as defined in Condition 11 of the "Terms and Conditions of the Notes"), it would be 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 Original Currency in order to satisfy any payment obligation under the Notes in the Original Currency, the Issuer will be entitled to postpone payment by up to the Maximum Days of Postponement after the relevant

payment date, and in certain circumstances, make any such payment in the relevant Alternative Currency in the manner set out in Condition 11(i) and the relevant Final Terms.

### **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 at all.

#### ***Interest rate risks***

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

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. In addition, any reduction in

the credit ratings of the Notes or deterioration in the capital market's perception of Rabobank Group's financial resilience following any such downgrade, could adversely affect the trading price of the Notes.

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

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

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

## **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"**. Notwithstanding the above, Rabobank intends to only issue Inverse Floating Rate Notes, Range Accrual Notes and CMS Linked Notes (other than CMS Linked Notes which specify the formula CMS(1), CMS(2), CMS(3), CMS(4), CMS(5), CMS(6), CMS(7) or CMS(8)), with minimum denominations of at least EUR 100,000 (or its equivalent in any other currency).

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 3.2 of the Prospectus Directive 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" 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.

Public 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 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.

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**

In the context of any Public Offer of Notes, the Issuer accepts responsibility, in each of the Public Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an **"Investor"**) who purchases any Notes in a Public Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered 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 purpose of the relevant Public Offer and, if so, who that person is. If an Investor

is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

## **Consent**

The Issuer consents and (in connection with paragraph (D) below) offers to grant its consent, to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Public Offer of a Tranche of Notes in the Public Offer Jurisdictions specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by:

### **Specific consent**

- (A) the Dealer or Managers specified in the relevant Final Terms;
- (B) any financial intermediaries specified in the relevant Final Terms;
- (C) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the website of the Issuer ([www.rabobank.com](http://www.rabobank.com)) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

### **General consent**

- (D) if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which (a) is authorised to make such offers under the Markets in Financial Instruments Directive; and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the “**Acceptance Statement**”):

*“We, [specify name of financial intermediary], refer to the offer of [specify title of Notes] (the “**Notes**”) described in the Final Terms dated [specify date] (the “**Final Terms**”) published by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) [Australia Branch] (the “**Issuer**”). In consideration of the Issuer offering to grant 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] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer. We confirm that we are authorised under the Markets in Financial Instruments Directive to make, and are using the Base Prospectus in connection with, the Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus.”*

The “**Authorised Offeror Terms**”, being the terms to which the relevant financial intermediary agrees in connection with using the Base Prospectus, are that the relevant financial intermediary:

- (l) 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;

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- (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) 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;
- (h) immediately give notice to the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the terms of this sub-paragraph, and takes all appropriate steps to remedy such violation and comply with such Rules and this sub-paragraph in all respects;
- (i) not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;
- (j) 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;
- (k) 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



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- (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;

- (l) during the period of the initial offering of the Non-Exempt PD Notes: (i) only sell the Non-Exempt PD Notes at the Issue Price specified in the relevant Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Non-Exempt PD Notes 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;
- (m) 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;
- (n) 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;
- (o) 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 (as supplemented as at the relevant time, if applicable) and the relevant Final Terms; and
- (p) 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;
  - (b) subject to (c) below, the competent courts of Amsterdam, the Netherlands have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "Dispute") and the Issuer and the financial intermediary submit to the exclusive jurisdiction of such courts;
  - (c) for the purposes of (III)(b) and (d), the financial intermediary waives any objection to the competent courts of Amsterdam, the Netherlands on the grounds that they are an inconvenient or inappropriate forum to settle any dispute; and
  - (d) to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

The financial intermediaries referred to in paragraphs (B), (C) and (D) above are together referred to herein as the "**Authorised Offerors**".

**Any Authorised Offeror falling within paragraph (D) above who wishes to use this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

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

The conditions to the Issuer's consent to use this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (D) 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.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

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

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING 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 THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. 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 THE INFORMATION DESCRIBED ABOVE.**

### **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, last amended on 26 September 2014;
- (b) the Terms and Conditions of the Rabobank 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, 9 May 2012, 8 May 2013 and 7 May 2014;
- (c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2012, 2013 and 2014 (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 2012, 2013 and 2014 (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 [www.rabobank.com/en/investors/funding/funding-programmes/Rabobank\\_Nederland\\_EUR\\_160\\_bn\\_GMTN\\_Programme.html](http://www.rabobank.com/en/investors/funding/funding-programmes/Rabobank_Nederland_EUR_160_bn_GMTN_Programme.html). In addition, such documents will be available, without charge, from the principal office of Rabobank (as Euronext Amsterdam Listing Agent) in the Netherlands for Notes listed on Euronext Amsterdam and from the principal office of the Arranger in England and of the Paying Agent in Luxembourg.

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

## **SUPPLEMENTARY PROSPECTUS**

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

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

## IMPORTANT INFORMATION

### Responsibility statement

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

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

### Available information under Rule 144A

Rabobank 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 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 at its office set out at the end of this Base Prospectus.

### Enforceability of Judgements

Rabobank is a bank organised under the laws of the Netherlands. All or a substantial portion of the assets of Rabobank and a majority of its directors and executive officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against any of them or Rabobank judgements obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

### Presentation of financial information

The audited consolidated financial statements for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 incorporated by reference in this Base Prospectus have been prepared in accordance with International Financial Reporting Standards as adopted by the EU pursuant to EU Regulation No 1606/2002 (IFRS) and comply with Part 9 of Book 2 of the Dutch Civil Code. The corresponding summary figures have been derived from the audited consolidated financial statements for the years ended 31 December 2012, 31 December 2013 and 31 December 2014.

### *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 2013 in this Base Prospectus have been restated. See the Rabobank Group consolidated financial statements 2014, under note 2.1 “Changes in accounting policies and presentation as a result of new guidelines” 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. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors".

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

### **Special considerations**

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 the “Terms and Conditions of the Notes” shall have the same meanings in this general description. The Issuer may agree with any Dealer that Notes may be issued in a form other than that contemplated in the “Terms and Conditions of the Notes” in which event (in the case of PD Notes only) a supplement to this Base Prospectus or new Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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), including issuing through:  Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch
<b>Description:</b>	Global Medium-Term Note Programme
<b>Date:</b>	7 May 2015
<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, unless otherwise specified in the relevant Final Terms with respect to a specific Tranche of Notes.
<b>Arranger:</b>	Credit Suisse Securities (Europe) Limited
<b>Dealers:</b>	Barclays Bank PLC Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) (in its capacity as Dealer) Credit Suisse Securities (Europe) Limited Daiwa Capital Markets Europe Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc Nomura International plc RBC Europe Limited The Toronto-Dominion Bank 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



## *General description of the Programme*

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 date and nominal amount, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

**Issue Price:** Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. 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, in bearer form exchangeable for Registered 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 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 Depositary on behalf of Euroclear and Clearstream,

### *General description of the Programme*

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, Clearstream, Luxembourg and/or 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 Depositary on behalf of Euroclear and Clearstream, Luxembourg or (b) (in respect of Global Certificates which are held under the NSS) a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (ii) with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC. Only Rabobank 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”.

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

#### **Clearing Systems:**

Clearstream, Luxembourg, Euroclear, DTC 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 any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to

## General description of the Programme

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 SIS Notes will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

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

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

**Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that individual Certificates will only be available, 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 fixed rate, floating rate, CMS-linked, range accrual rate and/or inverse floating rate 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: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Rate**”) or (b) by reference to LIBOR, LIBID, LIMEAN, GBP-ISDA-Swap Rate, EURIBOR, EONIA, STIBOR, CNH HIBOR, EUR-ISDA-EURIBOR-Swap Rate, JPY-ISDA-Swap Rate or USD-ISDA-Swap Rate (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 (c) 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 “Terms and Conditions of the Notes”) 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 bear interest (if any) at a rate determined by reference to a floating rate (determined in accordance with (a), (b) or (in the case of Exempt Notes only) (c) of "Floating Rate Notes" above) or the mathematical sum of or difference between two such floating rates (the "Inverse Rate"), and may be subject to a minimum amount. The rate of interest applicable in respect of an interest period is calculated by reference to one of the following formulae (as specified in the relevant Final Terms):

*INV(1)*: The rate of interest will be calculated by subtracting from a margin, the relevant reference rate or floating rate option (as the case may be).

*INV(2)*: The rate of interest will be calculated by multiplying an inverse rate by a gearing factor and subtracting the result from a margin.

*INV(3)*: The rate of interest will be calculated by multiplying an inverse rate by a gearing factor and subtracting the result from the rate of interest calculated for the immediately preceding interest period.

*INV(4)*: The rate of interest will be calculated by (a) multiplying the sum of an inverse rate and a margin by a gearing factor, and (b) subtracting the resulting amount in (a) from the rate of interest calculated for the immediately preceding interest period.

*INV(5)*: The rate of interest will be calculated by (a) multiplying an inverse rate by a gearing factor and (b) subtracting the resulting amount in (a) from the sum of the rate of interest calculated for the immediately preceding interest period and a margin.

*INV(6)*: The rate of interest will be the greater of (a) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.

*INV(7)*: The rate of interest will be the lesser of (a) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.

*INV(8)*: The rate of interest will be the lesser of (a) the greater of (i) an inverse rate multiplied by a gearing factor, and the result subtracted from a margin, and (ii) the sum of another margin and the rate of interest calculated for the immediately preceding interest period, and (b) the sum of another margin and the rate of interest calculated for the immediately preceding interest period.

**Range Accrual Notes:**

Range Accrual Notes bear interest (if any) at a variable rate determined by reference to a floating rate (determined in accordance with paragraph (a), (b) or (in the case of Exempt Notes only) (c) of "Floating Rate Notes" above) depending on how many days such floating rate is above or below a specified barrier or within a specified range (based upon whether

certain specified conditions are satisfied) during a specified observation period. Interest is calculated by reference to one of the following formulae (as specified in the relevant Final Terms):

*RAN(1)*: The rate of interest will be product of (a) an applicable rate and (b) a Range Accrual Fraction, where the “**Range Accrual Fraction**” is the resulting fraction of the quotient of (i) the number of fixing days during the relevant interest period on which a specified accrual rate falls inside or outside a specified range and (ii) the total number of fixing days in the relevant interest period.

*RAN(2)*: The rate of interest will be product of (a) a Range Accrual Fraction and (b) the sum of an applicable rate and a margin.

*RAN(3)*: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) an applicable rate multiplied by a gearing factor and a margin added to the result.

*RAN(4)*: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) the lesser of (i) an applicable rate multiplied by a gearing factor, and a margin added to the result, and (ii) the Maximum Rate of Interest.

*RAN(5)*: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) the greater of (i) an applicable rate multiplied by a gearing factor, and a margin added to the result, (ii) a minimum interest rate.

**Zero Coupon Notes:**

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

**CMS Linked Notes:**

CMS Linked Notes bear interest (if any) at a rate determined by reference to one or more swap rates. The amount of interest payable is proportionate to either a single swap rate, the mathematical sum of or difference between two such swap rates or calculated in accordance with another of the formulae detailed below, and may be subject to a minimum and/or maximum amount. The rate of interest applicable in respect of an interest period is calculated by reference to one of the following formulae (as specified in the relevant Final Terms):

*CMS(1)*: The rate of interest will be equal to a CMS rate.

*CMS(2)*: The rate of interest will be equal to a CMS rate plus a margin.

*CMS(3)*: The rate of interest will be equal to a CMS rate multiplied by a gearing factor and a margin being added to the result.

*CMS(4)*: The rate of interest will be equal to a CMS rate multiplied by a gearing factor.

*CMS(5)*: The rate of interest will be equal to a CMS rate plus a margin and the resulting amount being multiplied by a gearing factor.

*CMS(6)*: The rate of interest will be equal to the difference between two different CMS rates.

*CMS(7)*: The rate of interest will be the product of (a) the difference between two different CMS rates, and a margin added to the result, and (b) a gearing factor.

*CMS(8)*: The rate of interest will be the sum of (a) the product of (i) the difference between two different CMS rates and (ii) a gearing factor, and (b) a margin.

*CMS(9)*: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) an applicable rate (which, for the avoidance of doubt, will be a different rate to the CMS rate) multiplied by another gearing factor, and another margin added to that result.

*CMS(10)*: The rate of interest will be the lesser of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) an applicable rate (which, for the avoidance of doubt, will be a different rate to the CMS rate) multiplied by another gearing factor, and another margin added to that result.

*CMS(11)*: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) another CMS rate multiplied by another gearing factor, and another margin added to that result.

*CMS(12)*: The rate of interest will be the lesser of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) another CMS rate multiplied by another gearing factor, and another margin added to that result.

*CMS(13)*: The rate of interest will be the difference between (a) the greater of (i) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (ii) a minimum rate of interest, and (b) the greater of (i) another CMS rate multiplied by another gearing factor, and another margin added to that result, and (ii) another minimum rate of interest.

*CMS(14)*: The rate of interest will be the difference between (a) the lesser of (i) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (ii) a maximum rate of interest, and (b) the lesser of (i) another CMS rate multiplied by another gearing factor, and another margin added to that result, and (ii) another maximum rate of interest.

*CMS(15)*: The rate of interest will be the greater of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the product of (i) the difference between two CMS rates, and a margin added to that result, and (ii) another gearing factor.

*CMS(16)*: The rate of interest will be the lesser of (a) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the product of (i) the difference between two CMS rates, and a margin added to that result, and (ii) another gearing factor.

*CMS(17)*: The rate of interest will be the sum of a margin, and the product of a gearing factor and the greater of (a) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result.

*CMS(18)*: The rate of interest will be the sum of a margin, and the product of a gearing factor and the lesser of (a) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result, and (b) the sum of (i) a CMS rate multiplied by a gearing factor and (ii) a CMS rate multiplied by a gearing factor, and a margin added to that result.

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*CMS(19)*: The rate of interest will be the product of (a) (i) first, a margin will be added to a CMS rate, (ii) secondly, the resulting amount calculated in (i) above multiplied by a gearing factor and one added to that result, (iii) thirdly, the resulting amount calculated in (ii) above raised to a power and from that result one subtracted, and (b) another gearing factor.

*CMSRA(1)*: The rate of interest will be the product of (a) a Range Accrual Fraction and (b) an applicable rate (which rate may be a CMS rate), where the “**Range Accrual Fraction**” is the resulting fraction of the quotient of (i) the number of fixing days during the relevant interest period on which a specified accrual rate falls inside or outside the specified range and (ii) the total number of fixing days in the relevant interest period.

*CMSRA(2)*: The rate of interest will be the product of (a) the Range Accrual Fraction and (b) the sum of an applicable rate (which may be a CMS rate) and the margin.

*CMSRA(3)*: The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction, and (b) the sum of (i) an applicable rate (which may be a CMS rate) multiplied by a gearing factor and (ii) a margin.

*CMSRA(4)*: The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction and (b) the lesser of (i) an applicable rate (which may be a CMS rate) multiplied by a gearing factor, and a margin added to that result and (ii) a maximum interest rate.

*CMSRA(5)*: The rate of interest applicable in respect of any interest period will be the product of (a) a Range Accrual Fraction and (b) the greater of (i) an applicable rate (which may be a CMS rate) multiplied by a gearing factor, and a margin added to that result and (ii) a minimum interest rate.

#### **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 in the relevant Final Terms.

#### **Equity Linked Notes:**

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.

#### **FX Linked Notes:**

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

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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.

**Index Linked Notes:** 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.

**Other Notes:** 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.

**Interest Periods and Interest Rates:** 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.

**Redemption:** 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.

**Redemption by Instalments:** 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.

**Optional Redemption:** 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.

**Automatic Early Redemption:** If the Calculation Agent determines that an Automatic Early Redemption Event has occurred or will occur in relation to any Interest Payment Date falling on or after the Automatic Early 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 Automatic Early Redemption Amount.

**Early Redemption:** 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



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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 the "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 the "Terms and Conditions of the Notes — Redemption, Purchase and Options".

**Status of Notes:** The Notes will constitute unsubordinated and unsecured obligations of the Issuer all as described in the "Terms and Conditions of the Notes".

**Negative Pledge:** See the "Terms and Conditions of the Notes — Negative Pledge".

**Rating:** Senior long-term Notes issued under the Programme by Rabobank 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 A+ 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. The modifier '-' is appended to denote relative status within the rating category.

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, Notes rated 'A' are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than notes in higher-rated categories. However, the Issuer's capacity to meet its financial commitment on the Notes is still strong. The 'A' rating is modified by the addition of a plus (+) sign to show relative standing within the 'A' rating category.

In addition, Rabobank's long-term deposits and senior debt ratings are rated "AA (high)" by DBRS. As defined by DBRS, rating category "AA" means that the relevant obligations are of superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events. The addition of the "(high)" designation

indicates the rating is in the higher end of the category.

- 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 or Australia, as the case may be, subject to the exceptions and limitations as described in the “Terms and Conditions of the Notes — Taxation”.
- Governing Law:** The laws of the Netherlands.
- Listing:** Euronext Amsterdam, the Official List of the Luxembourg Stock Exchange, or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of 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:** Public Offer Selling Restriction under the Prospectus Directive, the Argentine Republic, Australia, Brazil, Canada, Chile, the People’s Republic of China, Dubai International Financial Centre, Finland, the Republic of France, Guernsey, Hong Kong, Hungary, Ireland, Israel, the Republic of Italy, Japan, Jordan, Lithuania, Macau, Monaco, the Netherlands, New Zealand, Norway, Qatar, Russia, San Marino, Singapore, the Republic of South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, the Republic of Turkey, Ukraine, United Arab Emirates, United Kingdom, United Mexican States and United States. 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) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (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) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (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 herein) only, amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. 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 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 7 May 2015, between Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) (“**Rabobank**” or the “**Issuer**”), acting through its head office or through Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch (“**Rabobank Australia 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 7 May 2015 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, first Interest Payment Dates, nominal amounts and/or Issue Prices.

## 1 Definitions

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

**"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(c)(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.

**"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:

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

- (ii) in respect of Range Accrual Notes only, either (i) above or such other meaning specified in the relevant Final Terms.

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

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

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

**“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 Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(e).

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

**“CMS Rate”** means, unless otherwise specified in the relevant Condition, the relevant Reference Rate(s) or Floating Rate Option(s) specified in the relevant Final Terms.

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

**“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<sub>2</sub>**” 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<sub>2</sub> 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.

“**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.

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

“**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.

“**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.

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

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

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

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

**“Fixed Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(a).

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

**“Floating Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(b).

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

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

**“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 Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(i).

**“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 Rate”** has the meaning specified in Condition 10.

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

**“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.

**“Initial Interest Period”** means, in respect of a Variable Rate Note:

- (i) where “Variation Notice” is specified to be not applicable or where the Issuer has elected to notify Noteholders of a variation in the Rate of Interest in accordance with Condition 6(f)(i),



the period from and including the Interest Commencement Date to and excluding the first Variation Date; and

- (i) otherwise, the period from and including the Interest Commencement Date to and excluding the succeeding Variation Date or the Maturity Date, as the case may be.

**"Initial Rate of Interest"** means, in respect of a Variable Rate Note, that the Rate of Interest for the Initial Interest Period which shall be calculated in accordance with Fixed Interest Rate, Floating Interest Rate, Inverse Floating Interest Rate, Range Accrual Interest Rate or CMS Linked Interest Rate specified to be applicable in the relevant Final Terms.

**"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, provided that if the Specified Currency is Renminbi, the Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards); and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

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

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

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

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

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

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

**“Inverse Floating Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(c).

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

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

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

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

**“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.

**“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.

**“Money Market Instruments”** means money market instruments (as defined in Article 1(5) of Directive 93/22/EC) having a maturity of less than 12 months.

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

**“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(d).

**“Range Accrual Interest Rate”** means a Rate of Interest calculated in accordance with Condition 6(d).

**“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, LIMEAN and GBP-ISDA-Swap Rate, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, 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 determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market, in the case of JPY-ISDA-Swap Rate, the principal Tokyo office of four major banks in the Tokyo inter-bank market, in the case of USD-ISDA-Swap Rate, the principal New York City office of four major banks in the New York City inter-bank market, in the case of a Reference Rate other than LIBOR, LIBID, LIMEAN, GBP-ISDA-Swap Rate, EURIBOR, EONIA, STIBOR, EUR-ISDA-EURIBOR-Swap Rate, JPY-ISDA-Swap Rate or USD-ISDA-Swap Rate, 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 Rate”** means LIBOR, LIBID, LIMEAN, GBP-ISDA-Swap Rate, EURIBOR, EONIA, STIBOR, CNH HIBOR, EUR-ISDA-EURIBOR-Swap Rate, JPY-ISDA-Swap Rate or USD-ISDA-Swap Rate 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.

**“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.

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

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

**“Securities Act”** means the United States Securities Act of 1933.

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

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

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

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

**“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.

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

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

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

**“Varied Interest Period”** means each period from and including a Variation Date to but excluding the succeeding Variation Date or the Maturity Date, as the case may be.

**“Varied Rate of Interest”** means, in respect of a Variable Rate Note, that the Rate of Interest for the relevant Varied Interest Period which shall be calculated in accordance with Fixed Interest Rate, Floating Interest Rate, Inverse Floating Interest Rate, Range Accrual Interest Rate, Zero Coupon Interest Rate or CMS Linked Interest Rate specified to be applicable in the relevant Final Terms.

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

“**Zero Coupon Interest Rate**” means a Rate of Interest calculated in accordance with Condition 6(j).

- (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.

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, provided that if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it

would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The Rate of Interest applicable to an Interest Period may be greater or less than the Rate of Interest applicable to the preceding Interest Period as may be specified in the relevant Final Terms. The amount of interest payable shall be determined in accordance with Condition 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, Range Accrual Notes, CMS Linked Notes, Variable Rate 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. The Rate of Interest applicable to an Interest Period may be greater or less than the Rate of Interest applicable to the preceding Interest Period as may be specified in the relevant Final Terms.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest on Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination which may be specified in the relevant Final Terms shall apply if specified in the relevant Final Terms.
  - (A) *ISDA Determination for Floating Rate Notes*

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

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

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

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

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

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

- (w) If the Relevant Screen Page is not available or, if sub-paragraph (v)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (v)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below and in Condition 6(b)(iii)(B)(z), the Calculation Agent shall request, if the Reference Rate is (i) LIBOR, LIBID,



LIMEAN or GBP-ISDA-Swap Rate, the principal London office of each of the Reference Banks, (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, the principal Euro-zone office of each of the Reference Banks, (iii) STIBOR, the principal Stockholm office of each of the Reference Banks, (iv) CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, (v) JPY-ISDA-Swap Rate, the principal Tokyo office of each of the Reference Banks, or (vi) USD-ISDA-Swap Rate, the principal New York City 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, LIMEAN or GBP-ISDA-Swap Rate, at approximately 11.00 a.m. (London time), (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, at approximately 11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), (v) JPY-ISDA-Swap Rate, at approximately 3.00 p.m. (Tokyo time), or (vi) USD-ISDA-Swap Rate, at approximately 11.00 a.m. (New York City 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, LIMEAN or GBP-ISDA-Swap Rate, at approximately 11.00 a.m. (London time), (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, at approximately 11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), (v) JPY-ISDA-Swap Rate, at approximately 3.00 p.m. (Tokyo time), or (vi) USD-ISDA-Swap Rate, at approximately 11.00 a.m. (New York City 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, LIMEAN or GBP-ISDA-Swap Rate, the London interbank market, (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, the Euro-zone inter-bank market, (iii) STIBOR, the Stockholm inter-bank market, (iv) CNH HIBOR, the Hong Kong inter-bank market, (v) JPY-ISDA-Swap Rate, the Tokyo inter-bank market, or (vi) USD-ISDA-Swap Rate, the New York City 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, LIMEAN or GBP-ISDA-Swap Rate, at approximately 11.00 a.m. (London time), (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, at approximately 11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) CNH HIBOR, at

approximately 11.00 a.m. (Hong Kong time), (v) JPY-ISDA-Swap Rate, at approximately 3.00 p.m. (Tokyo time), or (vi) USD-ISDA-Swap Rate, at approximately 11.00 a.m. (New York City 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, LIMEAN or GBP-ISDA-Swap Rate, the London inter-bank market, (ii) EURIBOR, EONIA or EUR-ISDA-EURIBOR-Swap Rate, the Euro-zone inter-bank market, (iii) STIBOR, the Stockholm inter-bank market, (iv) CNH HIBOR, the Hong Kong inter-bank market, (v) JPY-ISDA-Swap Rate, the Tokyo inter-bank market, or (vi) USD-ISDA-Swap Rate, the New York City 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, GBP-ISDA-Swap Rate, EURIBOR, EONIA, STIBOR, CNH HIBOR, EUR-ISDA-EURIBOR-Swap Rate, JPY-ISDA-Swap Rate or USD-ISDA-Swap Rate, 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) *Linear Interpolation*

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

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

(D) *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(c)(i) below, where the Gearing Factor (as defined therein) is a negative number.

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

- (i) The Rate of Interest in respect of Inverse Floating Rate 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) If “INV(1)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Margin - Inverse Rate**

- (B) if “INV(2)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Margin – (Gearing Factor x Inverse Rate);**

- (C) if “INV(3)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Previous Coupon - (Gearing Factor x Inverse Rate);**

- (D) if “INV(4)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Previous Coupon - (Gearing Factor x (Inverse Rate + Margin));**

- (E) if “INV(5)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Previous Coupon + Margin – (Gearing Factor x Inverse Rate);**

- (F) if “INV(6)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Max[Previous Coupon + Margin<sub>1</sub>; Margin<sub>2</sub> – (Gearing Factor x Inverse Rate)];**

- (G) if “INV(7)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Min[Previous Coupon + Margin<sub>1</sub>; Margin<sub>2</sub> – (Gearing Factor x Inverse Rate)]; or**

- (H) if “INV(8)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Min{Previous Coupon + Margin<sub>1</sub>; Max[Previous Coupon + Margin<sub>2</sub>; Margin<sub>3</sub> – (Gearing Factor x Inverse Rate)]};**

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;

“**Margin**”, “**Margin<sub>1</sub>**”, “**Margin<sub>2</sub>**” and “**Margin<sub>3</sub>**” have 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); 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.

- (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 Inverse Floating Rate Notes.

**(d) 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) if “RAN(1)” is specified as applicable in the relevant Final Terms:

$$\text{Rate of Interest} = \text{Applicable Rate} \times (n/N);$$

(B) if “RAN(2)” is specified as applicable in the relevant Final Terms:

$$\text{Rate of Interest} = (\text{Applicable Rate} + \text{Margin}) \times (n/N);$$

(C) if “RAN(3)” is specified as applicable in the relevant Final Terms:

$$\text{Rate of Interest} = (\text{Gearing Factor} \times \text{Applicable Rate} + \text{Margin}) \times (n/N);$$

(D) if “RAN(4)” is specified as applicable in the relevant Final Terms:

$$\text{Rate of Interest} = \text{Min}[\text{Gearing Factor} \times \text{Applicable Rate} + \text{Margin}; \text{Maximum Rate of Interest}_1] \times (n/N); \text{ or}$$

(E) if “RAN(5)” is specified as applicable in the relevant Final Terms:

$$\text{Rate of Interest} = \text{Max}[\text{Gearing Factor} \times \text{Applicable Rate} + \text{Margin}; \text{Minimum Rate of Interest}_1] \times (n/N);$$

where:

“**Accrual Range**” has the meaning specified in the relevant Final Terms, and may, if so specified in the relevant Final Terms, be (x) expressed as a range between two percentages (and if the Accrual Rate is equal to the upper or lower limits of such Accrual Range, it shall be deemed to fall inside or outside such Accrual Range as so specified in the relevant Final Terms) or (y) expressed to be greater than (or, if so specified in the relevant Final Terms, equal to) a specified percentage or (z) expressed to be less than (or, if so specified in the relevant Final Terms, equal to) a specified percentage;

“**Accrual 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, FX Rates, CMS Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y);

“**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;

“**Margin**”, “**Minimum Rate of Interest<sub>1</sub>**” and “**Maximum Rate of Interest<sub>1</sub>**” have 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:

- (a) Range Accrual Condition<sub>1</sub>, as specified in the relevant Final Terms, is satisfied; or
- (b) Range Accrual Condition<sub>1</sub> and Range Accrual Condition<sub>2</sub>, as specified in the relevant Final Terms, are satisfied; or
- (c) Range Accrual Condition<sub>1</sub>, Range Accrual Condition<sub>2</sub> and Range Accrual Condition<sub>3</sub>, as specified in the relevant Final Terms, are satisfied,

provided that:

- (a) for any Fixing Day which is not a Business Day and which falls during the relevant Interest Period, the Accrual Rate for such day will be deemed to be the Accrual Rate as at the immediately preceding Business Day; and
- (b) for each Fixing Day following the Rate Cut-off Date, the Accrual Rate will be deemed to be the Accrual Rate as at the Rate Cut-off Date;

“**Range Accrual Condition<sub>1</sub>**”, “**Range Accrual Condition<sub>2</sub>**” and “**Range Accrual Condition<sub>3</sub>**” means where:

(1)

- (a) Reference Rate > Accrual Rate<sub>1</sub>; or
- (b) Reference Rate ≥ Accrual Rate<sub>1</sub>;

and/or

- (c) Reference Rate < Accrual Rate<sub>2</sub>; or
- (d) Reference Rate ≤ Accrual Rate<sub>2</sub>;

or

(2)

- (a) (Gearing Factor<sub>1</sub> x Floating Rate<sub>1</sub>) – (Gearing Factor<sub>2</sub> x Floating Rate<sub>2</sub>) > Accrual Rate<sub>1</sub>; or
- (b) (Gearing Factor<sub>1</sub> x Floating Rate<sub>1</sub>) – (Gearing Factor<sub>2</sub> x Floating Rate<sub>2</sub>) ≥ Accrual Rate<sub>1</sub>;

and/or

- (c) (Gearing Factor<sub>1</sub> x Floating Rate<sub>1</sub>) – (Gearing Factor<sub>2</sub> x Floating Rate<sub>2</sub>) < Accrual Rate<sub>2</sub>; or
- (d) (Gearing Factor<sub>1</sub> x Floating Rate<sub>1</sub>) – (Gearing Factor<sub>2</sub> x Floating Rate<sub>2</sub>) ≤ Accrual Rate<sub>2</sub>,

in each case, as specified in the relevant Final Terms.

“**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.

**(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 by applying one or more 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) if “CMS(1)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = CMS Rate;**

- (B) if “CMS(2)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = CMS Rate + Margin;**

- (C) if “CMS(3)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Gearing Factor x CMS Rate + Margin;**

- (D) if “CMS(4)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Gearing Factor x CMS Rate;**

- (E) if “CMS(5)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Gearing Factor x (CMS Rate + Margin);**

- (F) if “CMS(6)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = CMS Rate<sub>1</sub> – CMS Rate<sub>2</sub>;**

- (G) if “CMS(7)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Gearing Factor x (CMS Rate<sub>1</sub> – CMS Rate<sub>2</sub> + Margin);**

- (H) if “CMS(8)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Gearing Factor x (CMS Rate<sub>1</sub> – CMS Rate<sub>2</sub>) + Margin;**

- (I) if “CMS(9)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Max[Gearing Factor<sub>1</sub> x CMS Rate + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x Applicable Rate + Margin<sub>2</sub>];**

- (J) if “CMS(10)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Min[Gearing Factor<sub>1</sub> x CMS Rate + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x Applicable Rate + Margin<sub>2</sub>];**

- (K) if “CMS(11)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Max[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x CMS Rate<sub>2</sub> + Margin<sub>2</sub>];**

- (L) if “CMS(12)” is specified as applicable in the relevant Final Terms:

**Rate of Interest = Min[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x CMS Rate<sub>2</sub> + Margin<sub>2</sub>];**

- (M) if "CMS(13)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Max[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Minimum Rate of Interest<sub>1</sub>] - Max[Gearing Factor<sub>2</sub> x CMS Rate<sub>2</sub> + Margin<sub>2</sub>; Minimum Rate of Interest<sub>2</sub>];**
- (N) if "CMS(14)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Min[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Maximum Rate of Interest<sub>1</sub>] - Min[Gearing Factor<sub>2</sub> x CMS Rate<sub>2</sub> + Margin<sub>2</sub>; Maximum Rate of Interest<sub>2</sub>];**
- (O) if "CMS(15)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Max[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x (CMS Rate<sub>2</sub> - CMS Rate<sub>3</sub> + Margin<sub>2</sub>)];**
- (P) if "CMS(16)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Min[Gearing Factor<sub>1</sub> x CMS Rate<sub>1</sub> + Margin<sub>1</sub>; Gearing Factor<sub>2</sub> x (CMS Rate<sub>2</sub> - CMS Rate<sub>3</sub> + Margin<sub>2</sub>)];**
- (Q) if "CMS(17)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Gearing Factor<sub>1</sub> x Max[Gearing Factor<sub>2</sub> x CMS Rate<sub>1</sub> + Gearing Factor<sub>3</sub> x CMS Rate<sub>2</sub> + Margin<sub>1</sub>; Gearing Factor<sub>4</sub> x CMS Rate<sub>3</sub> + Gearing Factor<sub>5</sub> x CMS Rate<sub>4</sub> + Margin<sub>2</sub>] + Margin<sub>3</sub>;**
- (R) if "CMS(18)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Gearing Factor<sub>1</sub> x Min[Gearing Factor<sub>2</sub> x CMS Rate<sub>1</sub> + Gearing Factor<sub>3</sub> x CMS Rate<sub>2</sub> + Margin<sub>1</sub>; Gearing Factor<sub>4</sub> x CMS Rate<sub>3</sub> + Gearing Factor<sub>5</sub> x CMS Rate<sub>4</sub> + Margin<sub>2</sub>] + Margin<sub>3</sub>;**
- (S) if "CMS(19)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Gearing Factor<sub>1</sub> x ((1+ Gearing Factor<sub>2</sub> x (CMS Rate + Margin)) ^ Power - 1);**
- (T) if "CMSRA(1)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Applicable Rate x (n/N);**
- (U) if "CMSRA(2)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = (Applicable Rate + Margin) x (n/N);**
- (V) if "CMSRA(3)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = (Gearing Factor x Applicable Rate + Margin) x (n/N);**
- (W) if "CMSRA(4)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Min[Gearing Factor x Applicable Rate + Margin; Maximum Rate of Interest<sub>1</sub>] x (n/N); or**
- (X) if "CMSRA(5)" is specified as applicable in the relevant Final Terms:  
**Rate of Interest = Max[Gearing Factor x Applicable Rate + Margin; Minimum Rate of Interest<sub>1</sub>] x (n/N);**

where:



**“Accrual Range”** has the meaning specified in the relevant Final Terms, and may, if so specified in the relevant Final Terms, be (x) expressed as a range between two percentages (and if the Accrual Rate is equal to the upper or lower limits of such Accrual Range, it shall be deemed to fall inside or outside such Accrual Range as so specified in the relevant Final Terms) or (y) expressed to be greater than (or, if so specified in the relevant Final Terms, equal to) a specified percentage or (z) expressed to be less than (or, if so specified in the relevant Final Terms, equal to) a specified percentage;

**“Accrual 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, FX Rates, CMS Rates and/or Floating Rate Options (as the case may be) or (z) a combination of (x) and (y);

**“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>”**, **“CMS Rate<sub>2</sub>”**, **“CMS Rate<sub>3</sub>”** and **“CMS Rate<sub>4</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 (X) above;

**“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”**, **“Gearing Factor<sub>1</sub>”**, **“Gearing Factor<sub>2</sub>”**, **“Gearing Factor<sub>3</sub>”**, **“Gearing Factor<sub>4</sub>”** and **“Gearing Factor<sub>5</sub>”** have the meanings specified in the relevant Final Terms;

**“Margin”**, **“Margin<sub>1</sub>”**, **“Margin<sub>2</sub>”** and **“Margin<sub>3</sub>”** have the meanings 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);

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

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

**“n”** means the number of Fixing Days where the Accrual Rate (as specified in the relevant Final Terms) 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 Accrual Rate for such day will be deemed to be the Accrual Rate as at the immediately preceding Business Day; and
- (B) for each Fixing Day following the Rate Cut-off Date, the Accrual Rate will be deemed to be the Accrual Rate as at the Rate Cut-off Date;

**“Power”** has the meaning specified in the relevant Final Terms; 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) 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.
- (iv) If so specified in the relevant Final Terms, the Rate of Interest on CMS Linked Notes in respect of different Interest Periods may be calculated by reference to more than one of the formulae set out in sub-paragraph (i) above.

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

In respect of Variable Rate Notes, the Rate of Interest shall be determined in accordance with the Initial Rate of Interest specified in the relevant Final Terms. The relevant Final Terms may specify one or more Variation Dates upon which the Rate of Interest may instead be calculated in accordance with the Varied Rate(s) of Interest specified in the relevant Final Terms.

- (i) If “Variation Notice” is specified as applicable in the relevant Final Terms, the relevant Varied Rate of Interest will only apply from the relevant Variation Date at the option of the Issuer, having given not less than five Business Days’ notice to Noteholders (or such other notice period as may be specified in the relevant Final Terms) of such variation.
- (ii) If “Variation Notice” is specified as not applicable in the relevant Final Terms, the Varied Rate(s) of Interest will automatically apply on the Variation Date(s) specified in the relevant Final Terms.

**(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)  $\text{Rate of Interest} = \text{Rate}_1 \times (\text{FX}_n / \text{FX}_0) - \text{Rate}_2$ ; or

(B) Rate of Interest = Rate<sub>1</sub> x (FX<sub>n</sub>/FX<sub>o</sub>),

where:

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

“**FX<sub>n</sub>**” means (i) if “**Bid Rate**” is specified in the relevant Final Terms, the bid rate of the relevant FX Rate published on the Relevant Screen Page on the FX Determination Date or (ii) if “**Mid Rate**” is specified in the relevant Final Terms, the arithmetic mean of the bid and offered rate of the relevant FX Rate published on the Relevant FX Screen Page on the FX Determination Date, each 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**” has the meaning specified in Condition 10;

“**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 calculated as follows:

(A) if the Spot rate is less than the Maximum Currency Rate or greater than the Minimum Currency Rate at any time during the Observation Period, the Rate of Interest shall be equal to Rate<sub>1</sub>; and

(B) if the Spot Rate is equal to or greater than the Maximum Currency Rate or equal to or less than the Minimum Currency Rate at any time during the Observation Period, the Rate of Interest shall 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**

Zero Coupon Notes do not bear interest.

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 falls 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**

In the case of any Notes:

- (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,

FX Rates, CMS 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, FX Rates, CMS 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, FX Rates, CMS 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 in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point (with 0.000005 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, Automatic Early 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, Automatic Early 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, Automatic Early 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, Automatic Early 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. In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

### (b) *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(f) 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(f) 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(f) 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) *Automatic Early Redemption*: If the Calculation Agent determines that an Automatic Early Redemption Event has occurred or will occur in relation to any Interest Payment Date falling on or after the Automatic Early 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 Automatic Early Redemption Amount.

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

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

**"Automatic Early Redemption Amount"** has the meaning specified in the relevant Final Terms;

**"Automatic Early Redemption Commencement Date"** has the meaning specified in the relevant Final Terms;

**"Automatic Early 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; and

**"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.

**(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 and Australia in respect of Rabobank Australia Branch or, in each case, 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 in the relevant Final Terms (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.

- (iii) 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; 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,

in each case, where:

“**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; and

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

**(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 in the relevant Final Terms (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) 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.

**(g) 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.

**(h) 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(h) shall be notified to Noteholders in accordance with Condition 18, together with the date of such redemption.

**(i) 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.

**(j) 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.

**(k) 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) Definitions**

As used in relation to Equity Linked Notes:

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

**“Basket”** means a basket comprised of each Underlying Security specified in the Final Terms in the relative proportion/number specified in the Final Terms.

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

**“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 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).

**“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) 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.

**“Disrupted Day”** means (i) in respect of an Underlying Security, 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.

**“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.

**“Early Closure”** means 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 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(c)(i).

**“Exchange”** means 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, 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.

**“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.

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

**“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 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).

**"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 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.

**"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.

**"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.

**"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.

**"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.

**“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.

**“Related Exchange”** means, in respect of an Underlying Security, 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, 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 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 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.

**“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, in respect of an Underlying Security, any day on which each Exchange and Related Exchange are scheduled to be open for trading for their respective trading sessions.

**“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.

**“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.

**“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 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.

**“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.

**“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 and/or Averaging Date, as applicable.

**“Valuation Time”** means the time specified as such in the relevant Final Terms or, if no such time is specified in respect of an Underlying Security, the close of trading on the relevant Exchange in relation to that Underlying Security or 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.

**(b) Correction of an Underlying Security Price**

If the price of an Underlying Security published on the Valuation Date 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 Valuation Date 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 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(c)(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(c)(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).

**(d) 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(d) shall be notified to Noteholders in accordance with Condition 18.

**(e) *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 8(i).

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

**(f) *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(f) shall be notified to Noteholders in accordance with Condition 18; or

- (ii) redeem the Notes in accordance with Condition 8(i).

**(g) 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(h).

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

**(h) 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(h) will affect the currency denomination of any payment obligation arising out of the Notes.

**(i) 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.

**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) Definitions**

As used in relation to Index Linked Notes:

**“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 a Valuation Date is affected by the occurrence of a Disrupted Day.

**“Affected Underlying Securities”** has the meaning contained in Condition 7(g)(iii).

**“Basket”** means a basket comprised of each Index specified in the Final Terms in the relative weighting specified in the Final Terms.

**“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 security/commodity comprised in an Index 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).

**“Disrupted Day”** means (i) in respect of 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 and (ii) in respect of a Multi-Exchange Index, the Index Sponsor fails to publish the level of the Index.

**“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.

**“Exchange”** means 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).

**“Exchange Business Day”** means, in respect of an Index, 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 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.

**“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 Index 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).

**“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 Index 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 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).

**“Market Disruption Event”** means in respect of an Index, the occurrence or existence on any Scheduled Trading Day of a Trading Disruption or an Exchange Disruption which the Calculation Agent determines in its sole and absolute discretion is material at any time during the one-hour period that ends at the Valuation Time 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.

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

**“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.

**“Related Exchange”** means, in respect of an Index, 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 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 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 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 Index.

**“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, in respect of 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.

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

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

“**Trading Disruption**” means 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.

“**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 Index Valuation Date and/or Averaging Date, as applicable.

“**Valuation Time**” means the time specified as such in the relevant Final Terms or, if no such time is specified in respect of an Index, the time with reference to which the Index Sponsor calculates the closing level of the Index or 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.

**(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 Valuation Date is subsequently corrected and the correction (the “**Corrected Index Level**”) is published by the Index Sponsor or (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 Valuation Date 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) 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.

**(e) 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 9(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 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(h).

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

**(g) 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 9(g) shall be notified to Noteholders in accordance with Condition 18, together with the date of such redemption.

## 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) Definitions**

As used in relation to FX Linked Notes:

**“Additional Disruption Events”** 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.

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

**“Basket”** means a basket comprised of each FX Rate specified in the Final Terms in the relative proportion/number specified in the 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.

**“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 currency 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).

**“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.

**“Disrupted Day”** means 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 Fallback”** means Calculation Agent FX Determination, Currency-Reference Dealers or Fallback Reference Price, in the order specified in the relevant Final Terms.

**“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.

**“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 Price Source”** means, in respect of an FX Rate, 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, in respect of an 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 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).

**“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 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.

**“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.

**“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.

**“Number of FX Settlement Days”** means such number or amount as is 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).

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

**“Valuation Date”** means each FX Valuation Date and/or Averaging Date, as applicable.

**“Valuation Time”** means the time specified as such in the relevant Final Terms or, if no such time is specified 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 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.

**(b) 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).

**(c) 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(c), 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(c), 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.

**(d) 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(d)(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.

**(e) 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.

**(f) 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.

**(g) 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(h).

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

## **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 (the “**Record Date**”). 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.

**(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) one or more Calculation Agent(s) where the Conditions so require, (iv) Paying Agents having specified

offices in at least two major European cities, (v) an Exchange Agent, (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed, (vii) 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 (viii) 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 unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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, unexpired 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 unexpired 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 unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Bearer Note is presented for redemption without any unexpired 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, and (following a written request from the Issuer) the Alternative Currency Adjudication Agent determines that, by reason of an Original Currency Unavailability Event, it would be 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 Original Currency in order to satisfy any payment obligation under the Notes in the Original Currency, the Issuer will be entitled to postpone payment by up to the Maximum Days of Postponement after the relevant payment date (or, if earlier, until the date on which the Original Currency Unavailability Event ceases to occur).

If, following the expiry of the Maximum Days of Postponement, the Alternative Currency Adjudication Agent is of the opinion that the Original Currency Unavailability Event is continuing and 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 Original Currency in order to satisfy the relevant payment obligation in the Original Currency, the Issuer shall make payment in the Alternative Currency as soon as is commercially reasonable thereafter. The applicable exchange rate will be determined by the Alternative Currency Calculation Agent in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner.

No additional interest or other sum is payable in respect of any postponement pursuant to this Condition 11(i) and any payment made by the Issuer under such circumstances in the Alternative Currency shall constitute valid payment and shall not constitute an Event of Default under Condition 14.

Upon the occurrence of an Original Currency Unavailability Event and the Alternative Currency Adjudication Agent making a determination that, by reason of such Original Currency Unavailability Event, it would be impossible, or 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 Original Currency, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18 stating the occurrence of the Original Currency Unavailability Event, giving details thereof and the action proposed to be taken in relation thereto.

In making a determination in respect of any Original Currency Unavailability 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 them 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.

For the purposes of this Condition 11(i):

**“Alternative Currency”** means the currency specified as such in the relevant Final Terms (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);

“**Maximum Days of Postponement**” means the number of Business Days specified as such in the relevant Final Terms;

“**Original Currency**” means the Specified Currency; and

“**Original Currency Unavailability Event**” means, in respect of any payment obligation under the Notes, that the Original Currency is not available on the foreign exchange markets due to (i) the imposition of exchange controls, (ii) the Original Currency’s replacement or disuse or (iii) other circumstances beyond the Issuer’s control, in each case 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 Original Currency in order to satisfy such payment obligation.

## 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 and Rabobank Australia Branch) and Australia (in the case of Rabobank Australia 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:

- (a) presented for payment in the country of incorporation of the Issuer (or, in the case of Rabobank Australia Branch, Australia) (each, as the case may be, a “**Relevant Taxing Jurisdiction**”);
- (b) held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such Relevant Taxing Jurisdiction in respect of such Note, 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) presented for payment 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) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the expiry of such period of 30 days;
- (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, Automatic Early 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 specified office of each of the Fiscal Agent and the Issuer, 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 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 Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (d) the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (e) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

## 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 Automatic Early 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 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 acting through its head office) or Australia (where the Issuer is Rabobank Australia 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) for the giving by Rabobank 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) the Substitution Guarantee (as defined below) given by Rabobank 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; 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) upon the Documents becoming valid and binding obligations of the Substituted Debtor, Rabobank 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 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, nominal amount, and the first Interest Payment Date) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

## 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 [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 date of such first 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, 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 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). 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 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 at Croeselaan 18, 3521 CB Utrecht, the Netherlands will also constitute service of process upon Rabobank Australia 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 depository (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.

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 in respect of the portion of the Global Note or a Global Certificate held for its account. An accountholder with Euroclear, Clearstream, Luxembourg with an interest in a temporary Global Note will be required, in order to have credited to its account any portion of

any payment, to present a certificate in the form set out in the Agency Agreement substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person as such terms are defined by the U.S. Internal Revenue Code 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 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 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 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 below 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

*Summary of provisions relating to the Notes while in global form*

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 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, 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

- 4.1.1 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 11(e)(vii) and 12(e) 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).
- 4.1.2 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 DTC Record Date (as defined below under "Record date in respect of Registered Notes") for the relevant payment of interest and, in the case of payments or 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

*Summary of provisions relating to the Notes while in global form*

Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made. “**DTC business day**” means any day on which DTC is open for business.

#### **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 in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be) (with such partial redemption to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

#### **4.7 Noteholders’ options**

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

#### **4.8 NGN nominal amount**

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

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 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, other than Registered Notes to be cleared through DTC, 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:

- 4.11.1 except the case of Registered Notes to be cleared through DTC, 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; and
- 4.11.2 in the case of Registered Notes to be cleared through DTC, on the 15th DTC business day before the due date for payment thereof (the “**DTC Record Date**”).



## 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:

- 6.1.1 approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- 6.1.2 where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by 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 SIS Noteholders (as defined below) shall at any time have the right to effect or demand the conversion of the Permanent Global Note (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Notes (*Wertpapiere*).

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

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

## **USE OF PROCEEDS**

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

## 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 Depository 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 Depository 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) a Restricted Global Certificate. Each Unrestricted Global Certificate or (in the case of Restricted Notes issued by Rabobank) Restricted Global Certificate deposited with (i) (in respect of Registered Notes which are not held under the NSS) a Common Depository 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 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 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 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 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, 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) 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 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 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 Effectenverkeer 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 2014, it comprised 113 independent local Rabobanks and their central organisation Rabobank and its subsidiaries. Rabobank Group operates in 40 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. It serves approximately 8.8 million clients around the world. In the Netherlands, its focus is on maintaining Rabobank Group's position in the Dutch market and, internationally, on food and agri. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank), the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 547 branches and 2,305 cash-dispensing machines at 31 December 2014, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.7 million retail customers, and approximately 800,000 corporate clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International, now known as Rabobank and internally referred to as "Wholesale, Rural & Retail", 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. The Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

At 31 December 2014, Rabobank Group had total assets of €681.1 billion, a private sector loan portfolio of €430.4 billion, amounts due to customers of €326.5 billion (of which savings deposits total €142.6 billion) and equity of €38.9 billion. Of the private sector loan portfolio, €210.8 billion, virtually all of which were mortgages, consisted of loans to private individuals, €127.3 billion of loans to the trade, industry and services sector and €92.3 billion of loans to the food and agri sector. At 31 December 2014, its common equity Tier 1 ratio, which is the ratio between common equity Tier 1 capital and total risk-weighted assets, was 13.6 per cent. and its Capital ratio (BIS ratio), which is the ratio between qualifying capital and total risk-weighted assets, was 21.3 per cent. For the year ended 31 December 2014, Rabobank Group's efficiency ratio, which is the ratio between total operating expenses and total income, was 62.7 per cent., and the return on Tier 1 capital, or net profit related to the Tier 1 capital as at 31 December of the previous financial year, was 5.2 per cent. For the year ended 31 December 2014, Rabobank Group realised a net profit of €1,842 million and a risk-adjusted return on capital ("**RAROC**"), which is the ratio between net profit and average economic capital, of 7.8 per cent. after tax. At 31 December 2014, Rabobank Group had 48,254 full-time employees.





## **Business activities of Rabobank Group**

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

### ***Domestic retail banking***

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. ("**Obvion**"), Friesland Bank N.V. ("**Friesland Bank**"), Roparco 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 2014, Rabobank Group's domestic retail banking operations had total assets of €354.3 billion, a private sector loan portfolio of €290.5 billion, amounts due to customers of €209.1 billion (of which savings deposits total €119.9 billion). For the year ended 31 December 2014, Rabobank Group's domestic retail banking operations accounted for 58 per cent., or €7,450 million, of Rabobank Group's total income and 41 per cent., or €751 million, of Rabobank Group's net profit. At 31 December 2014, Rabobank Group's domestic retail banking operations employed approximately 24,000 full-time employees.

### ***Local Rabobanks***

The 113 (at 31 December 2014) local Rabobanks are independent cooperative entities, each with their own operating areas. With 547 branches and 2,305 cash-dispensing machines at 31 December 2014, 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 6.7 million retail customers and approximately 800,000 corporate 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 2014 (*AM Jaarboek 2014*)).

### ***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 2014.

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 2014, Rabohypotheekbank had assets of €6.6 billion.

### **Wholesale banking and international retail banking**

Wholesale banking and international retail banking focuses its activities on the food and agri sector. Wholesale, Rural & Retail has a presence in 27 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia, New Zealand and Asia. Across these regions, Wholesale, Rural & Retail has created a number of units with global operations: Global Financial Markets, Global Client Solutions, Acquisition Finance, Project Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, 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 Project Finance department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Australia, Belgium, Germany, Ireland and New Zealand.

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

Rabobank's retail activities are performed under the Rabobank label, with the exception of an Irish bank, ACC Loan Management, which is a wholly owned subsidiary. ACC Loan Management underwent a reorganisation in 2013 and 2014 in order to focus exclusively on the management of the existing loan portfolio. The number of offices in Ireland has been reduced further, the number of employees has been sharply reduced and commercial activities (payment services and savings accounts) have also mostly been terminated. In line with this focus and reorganisation, the retail banking licence has been returned, and the name has been changed from ACC Bank plc to ACC Loan Management Limited.

In December 2013, Rabobank reached an agreement on the sale of its 98.5 per cent. equity interest in Bank Gospodarki Zywnosciowej SA ("**Bank BGZ**") to the BNP Paribas Group for an amount of 4.2 billion Polish Zloty (approximately €1 billion). The sale includes the activities of the internet savings bank BGZ Optima. The sale was completed on 23 September 2014.

At 31 December 2014, Rabobank Group's wholesale banking and international retail banking operations had total assets of €495.1 billion and a private sector loan portfolio of €95.2 billion. For the year ended 31 December 2014, Rabobank Group's wholesale banking and international retail banking operations accounted for 29.3 per cent., or €3,767 million, of Rabobank Group's total income and 41 per cent., or €758 million, of Rabobank Group's net profit. At 31 December 2014, Rabobank Group's wholesale banking and international retail banking operations had approximately 9,500 full-time employees.

## **Leasing**

### *DLL International B.V.*

DLL International B.V. (“**DLL**”) is the subsidiary responsible for Rabobank Group’s leasing business. It uses vendor finance to assist producers and distributors in their sales in 36 countries. With its innovative finance programmes, DLL stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, DLL operates in ten countries in Europe. In the Netherlands, DLL 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 DLL at 31 December 2014. DLL has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to €98,470,307 all of which is owned by Rabobank Nederland. At 31 December 2014, Rabobank Nederland’s liabilities to DLL amounted to €2,171 million. At 31 December 2014, Rabobank Nederland’s claims on DLL amounted to €28,241 million (loans, current accounts, financial assets and derivatives). All liabilities of DLL are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

At 31 December 2014, DLL had a lease portfolio of €33.0 billion. For the year ended 31 December 2014, DLL accounted for 12.3 per cent., or €1,578 million, of Rabobank Group’s total income and 23.7 per cent., or €436 million, of Rabobank Group’s net profit. At 31 December 2014, Rabobank Group’s leasing operations employed approximately 5,200 full-time employees.

## **Real estate**

### *Rabo Vastgoedgroep N.V.*

Rabo Real Estate Group (Rabo Vastgoedgroep 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 B.V. (“**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.

In early 2015 it was announced that FGH Bank would be integrated into Rabobank as the expertise centre for the funding of commercial real estate. Rabobank continues to be an important player in the field of commercial real estate.

For the year ended 31 December 2014, the Rabo Real Estate Group sold 7,064 houses. At 31 December 2014, Rabo Real Estate Group managed €6.4 billion of real estate assets and its loan portfolio amounted to €16.7 billion. For the year ended 31 December 2014, the real estate operations accounted for 5 per cent., or €610 million, of Rabobank Group’s total income and (14) per cent., or €(263) million, of Rabobank Group’s net profit. At 31 December 2014, Rabobank Group’s real estate operations had approximately 1,500 full-time employees.

## **Participations**

### *Achmea B.V.*

At 31 December 2014, 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 2014, Achmea had a workforce of approximately 16,600 full-time equivalents. Achmea is a major insurance company in the Netherlands, where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Achmea occupies a relatively minor position outside the Netherlands, operating in six other European countries and Australia. 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, OZF Achmea, Pro Life Zorgverzekeringen, Staalbankiers, Syntrus Achmea and Woonfonds Hypotheken. 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.

## **Recent developments**

### ***Changes to the Executive Board***

On 11 March 2015, it was announced that Mr. Bert Bruggink will step down from the executive board (*raad van bestuur*) of Rabobank (the “**Executive Board**”) in late 2015. Rabobank is extending its Executive Board to include the function of Chief Risk Officer who will be responsible for the risk management of the bank. The existing function of Chief Financial & Risk Officer will be split. Bert Bruggink has decided to step down when the function splits but will continue to carry out the combined tasks until suitable candidates are found and appointed for both new functions.

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

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

## **Ratings**

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

On 4 November 2014, Standard & Poor’s Credit Market Services Limited downgraded its long-term counterparty credit rating of Rabobank from “AA-” to “A+”. The outlook remains “negative”.

On 18 November 2014, DBRS published a rating report, reiterating the long-term deposits and senior debt rating of Rabobank of “AA (high)” with a “negative” outlook.

On 31 December 2014, Fitch published a full rating report, reiterating its long-term issuer default rating of Rabobank Group of “AA-” with a “negative” outlook.

On 17 March 2015, Moody’s placed the “Aa2” debt and deposit ratings of Rabobank “under review” with outcome “direction uncertain”.

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

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

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

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

## **Strategy of Rabobank Group**

### ***Strategic Framework 2013-2016: cooperative, solid and sustainable***

Rabobank aims for maximum customer focus and seeks to be a meaningful and reliable cooperative bank. Rabobank's ambition in the Netherlands is to provide its customers with suitable products from a position of strength and to be a leading and customer-centric cooperative bank. Outside the Netherlands, Rabobank aims to strengthen its position as a leading food and agri bank.

Through its cooperative structure, Rabobank wants to strengthen its customers' position and their living and working environment. This basic principle has been transposed into five customer promises: reliability, growing stronger together, personal service, active participation and a focus on today and tomorrow. Becoming the bank that Rabobank wants to be for its customers and society calls for a new way of working with each other. Rabobank gives priority to attracting and developing talent. The ambition is to be the bank that customers as well as employees can rely on.

We seek to maintain solid capital and liquidity buffers. To safeguard strong buffers in the future, reserves will have to continue to grow, and amounts due to customers need to grow faster than Rabobank's lending.

The ambitions for the local Rabobanks and Rabobankare detailed in the Vision 2016 Programme. This programme focuses on providing improved customer service at lower cost. The cooperative model is and remains the foundation of the Rabobank organisation. A review of the governance of Rabobank was launched in 2014. Rabobank expects that it will modify the governance model and begin updating its Strategic Framework in 2015.

### *Customer focus*

Owing to its origins, Rabobank feels it shares some responsibility for the socio-economic development of its customers' environment and networks. That is Rabobank's mission. Rabobank is committed to strengthening its customers' position and their living and working environment through cooperation. We refer to this mission as being 'Invested in each other'.

The customer is the basis for the existence of the cooperative Rabobank. Further intensifying the customer focus in each of Rabobank's employees the aim of at putting the interests of its customers at the heart of everything Rabobank says and does. In doing so, Rabobank is aiming to achieve concrete results and demonstrable benefits for its customers.

### *Vision 2016*

Rabobank is faced with far-reaching changes in its environment. Customers want straightforward, transparent and readily available financial services. At the same time, limited economic growth in the Netherlands means that earnings are stagnating and bad debt costs remain high. Responding to these developments, Rabobank established the Vision 2016 Programme in 2013. Rabobank is committed to five changes that will help it achieve its goals:

1. Rabobank strengthens its cooperative identity in its day-to-day conduct.
2. Rabobank focuses on providing advice to existing customers and specific target groups.
3. Rabobank increases its impact in society.
4. Rabobank virtualises its services.
5. Rabobank reduces its costs and hold each other accountable for this.

### ***Empowering employees***

Rabobank aims to have an appealing corporate culture in which it can take pride and that manifests itself in its day-to-day conduct. Rabobank launched a group-wide culture programme in 2013. This programme is aimed at the attitude and behaviour of employees in their daily conduct. Rabobank firmly believes that the values of respect, integrity, sustainability and professionalism must be endorsed by and embedded in all employees.

Strong leadership and motivated employees are necessary to support and shape the changes within the bank. It is above all its employees who make Rabobank what it is and can make an exceptionally important contribution towards this.

### ***Rock-solid bank***

Ample capital and liquidity buffers determine financial solidity. These buffers are necessary conditions and essential for retaining a high rating and good access to professional funding. As a result of the introduction of the CRD IV, capital and liquidity buffers are subject to more stringent requirements. In the past 25 years, lending growth outpaced that of amounts due to customers and reserves. Rabobank consequently relied in part on capital market funding. In the future, the growth of amounts due to customers and the annual addition from net profit to reserves will determine the scope for growth. Rabobank want to target its lending at the food and agri sector throughout the world and at a broader customer group in the Netherlands.

Rabobank's capital buffer consists of retained earnings, Rabobank Certificates, supplementary Tier 1 capital and Tier 2 capital. Rabobank's capital strategy is focused on increasing the relative proportion of retained earnings and Tier 2 capital. The share of retained earnings increases as a result of profit appropriation. To that end Rabobank must focus throughout the Group on restraint and cost control. Although Rabobank does not seek to maximise profit, healthy profit growth is necessary for ensuring continuity, security and selective growth. By expanding total capital with Tier 2 capital by means of new issues, the relative proportion of Rabobank Certificates and supplementary Tier 1 capital in total capital will automatically be reduced. Increasingly, the supplementary Tier 1 instruments issued in the past are excluded in determining capital ratios. Therefore Rabobank intends to issue new instruments in the years ahead that is expected to qualify as Tier 1 capital.

The Rabobank Group aims to achieve the following concrete financial targets by the end of 2016 in the areas of profitability, solvency and liquidity:

- return on Tier 1 capital of 8%;
- common equity Tier 1 ratio of 14% and capital ratio of more than 20%;
- loan-to-deposit ratio of 1.3.

### ***Meaningful cooperative***

The cooperative model is the foundation of the Rabobank organisation. Almost two million customers in the Netherlands are members of their local Rabobank. They have the opportunity to voice their views and participate in decision-making regarding the policy of the local Rabobank through a members council, thereby ensuring that the local Rabobanks remain in touch with the community of

which they are a part. 'Cooperative banking' is based on four focus areas that are connected with the financial products and services of Rabobank: long-term relationship, commitment to a better world, participation and solidity.

Rabobank puts the customer's interests at the heart of its service provision, with a focus on the long-term. On the basis of its cooperative principles, Rabobank always strives to help its customers in a responsible way, especially in times of economic difficulty. The cooperative identity needs to be strengthened in order to maintain Rabobank's distinctive profile. Rabobank is thus developing initiatives designed to increase the influence and involvement of its members. Rabobank wants to link its cooperative mission more explicitly with banking services. This starts with the financial services provided to customers on a daily basis, but also encompasses stepping up participation in local and virtual networks.

#### *Food and agri*

Rabobank is the leading bank in agriculture and food production internationally (measured by Rabobank's own surveys), with financing of €92.3 billion in the entire chain and in the principal agri-business countries. As a global food and agri bank, Rabobank published the Banking for Food programme which outlines its vision on food security in the long-term, and its role in it, in 2014. Rabobank supports its food and agri customers by providing access to financing, knowledge and networks.

#### *Banking for Food*

In its Banking for Food vision, Rabobank emphasises that Rabobank has a role in addressing the global food issue, i.e. sustainably feeding more than 9 billion people in 2050. Rabobank has an excellent starting position owing to its presence in the key food-producing and food-consuming countries and in the food chain. In Banking for Food, Rabobank defines specific targets and priorities for a joint and integrated approach and maps out the road by which they can be reached.

#### *Renewing the governance structure and updating the Strategic Framework*

The local Rabobanks in the Netherlands are all individual cooperatives. The same applies to Rabobank, their centralised organisation. In the 1990s, Rabobank witnessed the start of a debate within the bank on its status as a cooperative. A key outcome at that time was that every generation has to reinvent the cooperative for itself. The time has now arrived to re-evaluate the cooperative again.

There are various internal and external reasons to review the existing governance structure of Rabobank, including developments in the financial markets, the shift of supervision to the European Central Bank and new European laws and regulations that place additional demands on the organisation of the bank. In addition, the cost base will continue to be a focus area in the years ahead.

In light of this background, the Executive Board has decided to establish an advisory committee on governance (the "**Governance Committee**"). The Governance Committee is tasked with advising the Executive Board on the organisation and governance of Rabobank. The goal is to put in place a structure and culture that are robust and future-proof and at the same time contribute to restoring trust in Rabobank.

As a first step, the Governance Committee formulated a number of basic principles before developing proposals for specific changes. The basic principles were endorsed by the Central Delegates Assembly in September 2014:

- The continued existence of the cooperative
- Nearby services to customers
- Financial power of the collective and efficient businesses operations



- Trustworthy management
- Social involvement
- Independent supervision

Various scenarios have an influence on the future structure of the organisation. The Governance Committee discusses the proposals for adapting the structure intensively with the local Rabobanks. The Governance Committee then makes a recommendation to the Executive Board. The formulation of views and decision-making concerning the governance model are expected to take place in the first half of 2015.

In 2015, further to the governance discussion, Rabobank will examine what the shape of the future Strategic Framework should be. In addition to the outcomes of the debate on governance, Rabobank will also take account of several other important topics in this process. One of these is the question of the choices Rabobank will make in lending in order to maintain healthy capital ratios. Rabobank will continue to lend to its core customers, a broad customer group in the Netherlands and international food and agri customers. Rabobank will also review strategic choices concerning capital allocation. In addition, the development of the environment in which Rabobank operates as a bank will affect the future design of the Strategic Framework. It is important to take not only regulatory developments, but also technological developments as well as innovation into account.

#### ***Strategy for domestic retail banking***

Rabobank's core mission is to be a lifelong, personal financial partner. Rabobank strives to win customer loyalty and thus create ambassadors for its services. Rabobank builds long-lasting customer relationships. It is Rabobank's ambition to be the bank of choice in the Netherlands for all the common financial products and services. This is shown by market leadership.

Rabobank is one of the largest savings institutions in the Netherlands, as well as one of the largest institutions in the markets for the funding of small and medium enterprises and food and agri. The bank intends to maintain these leading positions and seeks to strengthen its position selectively in areas where its ambitions have not yet been realised. Although Rabobank's market share declined 4.5 per cent to 21.5 per cent in 2014, with the local Rabobanks and Obvion, Rabobank still has a strong position in the mortgage market.

The future local Rabobank is based on three pillars: participation, advice and virtualisation. The local Rabobanks participate in initiatives that contribute to local social and economic development. Many of the employees at the local Rabobanks work as advisors and maintain regular contact with customers through physical and virtual networks.

Customer needs have changed in recent years; they arrange most of their banking business through online and mobile channels. Rabobank is thus fully committed to the further virtualisation of its services. This allows Rabobank to serve its customers better, faster and at a lower cost at a time of their choosing. If a customer needs an advisor, one is always nearby. In addition, Rabobank strives to keep its costs in line with the market. Rabobank puts its customers first and wants to offer its services at fair rates, both today and in future. This change process at the local Rabobanks and Rabobank was put in motion in 2013, under the name of Vision 2016.

#### ***Strategy for wholesale banking and international retail banking***

Wholesale, Rural & Retail and Rabobank have been managed as one unit since mid-2014. The strategy for Wholesale, Rural & Retail has not changed: the main objectives are to strengthen its market leading position in the Netherlands and to continue to play a leading role in the international food and agri sector for its customers. In the context of the provision of services to its Dutch and international

customers, wholesale offers a number of specialist products and services that seek to provide optimal service to its customers.

Rural & Retail banking also focuses mainly on food and agri. The aim of the rural banks is to have a portfolio consisting of at least 95% food and agri. In the case of the retail banks, this target is set at 40-50% for Rabobank, N.A., while a strategic reorientation has been introduced at Rabobank Indonesia whereby the food and agri focus will be increased to 80% of the portfolio over time.

### **Strategy for leasing**

DLL is a globally operating financial services provider. With its operations in the Netherlands, DLL supports the Group strategy of wide-ranging financial services provision. It is a major company in the leasing market in the Netherlands. Its support for Rabobank's global food and agri strategy is reflected in the large proportion of food and agri in DLL's lease portfolio. In 2014, food and agri accounted for 32 per cent of the total lease portfolio. DLL intends to further increase this proportion. Apart from food and agri, DLL specialises in the following industries: healthcare, clean technology, mobility, transportation, construction, industrial equipment and office technology.

The financial solutions provided by DLL can be divided into vendor finance, commercial finance, (car) leasing, factoring and consumer finance. DLL wants to offer the right financial solutions to its customers in these industries so that they can attain their goals.

Long-term relationships and anticipating customer needs are central features of DLL's strategy. This is expressed in the cooperation with customers and the dialogue initiated with customers on how DLL can most effectively add value. DLL is continually searching for ways in which new business models, technologies and digital opportunities can be of assistance to its customers.

DLL facilitates its partners in embracing the circular economy with its Life Cycle Asset Management programme. This programme firstly achieves the transition from ownership to payment for service, and secondly from new to used operating assets. Manufacturers can thus increase the life of their products through intake, remanufacturing, re-use and recycling at the end of their useful lives.

### **Strategy for real estate**

FGH Bank is to be integrated into Rabobank. The phase-out of MAB Development and KP Investments is also planned. Clear decisions will be made with regard to the strategic reorientation of Bouwfonds Investment Management and Fondsenbeheer Nederland in the first half of 2015. Bouwfonds Property Development (operating under the name BPD since 1 January 2015) continues to be an important activity for Rabo Real Estate Group and Rabobank. Rabo Real Estate Group will continue to adapt to developments in the coming period, within the context of Rabobank as a shareholder.

### **Competition**

Rabobank Group competes in the Netherlands with several other large commercial banks such as ABN AMRO, ING Group and SNS Reaal, with insurance companies and pension funds and also with smaller financial institutions in specific markets. Rabobank expects competition in the Dutch savings market to continue in 2015.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks and Obvion have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 78 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**

The 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 2014, Rabobank Group had a market share of 21.5 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (16.3 per cent. by local Rabobanks and 5.2 per cent. by Obvion; source: Dutch Land Registry Office (Kadaster)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

*Saving deposits of individuals:* At 31 December 2014, Rabobank Group had a market share of 36.3 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, 35.4 per cent. are held by the local Rabobanks and 0.9 per cent. are held by Robeco Direct's savings bank Roparco.

*Lending to small and medium-sized enterprises:* At 31 December 2014, Rabobank Group had a market share of 39 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 2014, 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 and arbitration proceedings**

Rabobank Group is involved in several legal and arbitration proceedings in the Netherlands and other countries, including the United States, in connection with claims brought by and against the Rabobank Group and arising from its business operations. Although it is not possible to predict or determine the eventual outcome of all pending or imminent proceedings and processes, Rabobank Group is of the view that the final outcomes of the various pending and/or future legal proceedings are not expected to have a materially adverse effect on the Rabobank Group's financial position.

See the Rabobank Group consolidated financial statements 2014, under note 4.10 "Legal and arbitration proceedings" for further information.

## RABOBANK GROUP STRUCTURE

Rabobank Group is comprised of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank), its members being the local Rabobanks in the Netherlands and its subsidiaries and participations in the Netherlands and abroad. The Issuer uses the trade names Rabobank Nederland and Rabobank.

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

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

Rabobank was formed as a result of the merger of the Coöperatieve Centrale Raiffeisenbank and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was incorporated with unlimited duration on 22 December 1970 and registered with the Trade Register of the Chamber of Commerce, under number 30046259.

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

- (a) promoting the establishment, continued existence and development of cooperative banks;
- (b) conducting the business of banking in the widest sense, especially by acting as central bank for its members and as such entering into agreements with its members;
- (c) negotiating rights on behalf of its members and, with due observance of the relevant provisions of these Articles of Association, entering into commitments on their behalf, provided that such commitments have the same implications for all members, including, but not limited to, the entering into collective labour agreements on behalf of the members;
- (d) participating in, managing and providing services to other enterprises and institutions, in particular enterprises and institutions operating in the fields of insurance, lending, investment and/or other financial services;
- (e) exercising control over the members pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*); and
- (f) performing acts, including juristic acts, that are conducive to the attainment of the objects specified under (a), (b), (c), (d) and (e).

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

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

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

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

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

### Local Rabobanks

Membership of Rabobank is open only to cooperative banks whose articles of association have been approved by Rabobank. The members of Rabobank, which comprise 113 local Rabobanks in the Netherlands as at 31 December 2014, are all banking cooperatives in their own right.

Each local Rabobank must hold shares in Rabobank according to an apportionment formula (the “**Apportionment Formula**”). Since 2010, approximately 6 million shares of €1,000 have been issued by Rabobank to the local Rabobanks, creating own funds of Rabobank of approximately €6 billion. In September 2014, the nominal amount of the shares was amended to €100, while €900 per share was added to the reserves of Rabobank. In 2014 a dividend of €218 million was distributed to the local Rabobanks and in 2015 a dividend of €264 million is expected to be distributed to the local Rabobanks. In previous years, such distributed dividends to the local Rabobanks amounted to €0 million in 2013, €493 million in 2012, €483 million in 2011 and €438 million in 2010. At Rabobank Group level, these dividend distributions did not have, and are not expected to have, any impact on equity.

As members of Rabobank, the local Rabobanks have membership rights such as voting rights at a General Meeting of Rabobank.

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'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 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 the Apportionment Formula. 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>10</sup>
- (b) Through their mutual financial association, various legal entities within Rabobank Group make up a single organisation, including the local Rabobanks, Rabobank and a number of group entities. These legal entities have a mutual relationship of liability as referred to in Section 3:111 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). This relationship is formalised in an internal cross-guarantee system. This cross-guarantee system stipulates that, if a qualifying institution should have a shortage of funds to meet its obligations towards creditors, the other qualifying institutions are required to supplement that institution's funds in order to allow it to fulfil these obligations.
- (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 has been its function as a bankers' bank for the local Rabobanks. The local Rabobanks are permitted to have accounts only with Rabobank, which is the sole outlet for each local Rabobank's excess liquidity and which acts as treasurer to the local Rabobanks.

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<sup>10</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.

Rabobank also provides services to the local Rabobanks in the form of support, advice and guidance.

Furthermore, Rabobank 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 operates its own banking business, which is both complementary to and independent of the business of the local Rabobanks.

Notwithstanding the fact that Rabobank and the local Rabobanks are supervised by the European 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 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 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, however, are in some aspects 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. In particular, Rabobank 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, in which each local Rabobank has a number of votes according to the Apportionment Formula.

At 31 December 2014, the 113 local Rabobanks (at that time) themselves had approximately 2.0 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 also conducts business through separate legal entities, not only in the Netherlands but also worldwide. Rabobank is the (ultimate) shareholder of about 1,000 subsidiaries and participations.

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

Rabobank has assumed liability for debts arising from legal transactions for approximately 27 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 2013 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. The financial statements have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the Dutch Civil Code. 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, unless otherwise stated.*

### **Business overview\***

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 31 December 2014, it comprised 113 independent local Rabobanks and their central organisation Rabobank and its subsidiaries. Rabobank Group operates in 40 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. In the Netherlands, its focus is on maintaining the Group's position in the Dutch market and, internationally, on food and agri. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At 31 December 2014, Rabobank Group had total assets of €681.1 billion and 48,254 full-time employees.

Rabobank, 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, 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, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 547 branches and 2,305 cash-dispensing machines at 31 December 2014, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.7 million retail customers and approximately 0.8 million corporate clients, both private and corporate, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Wholesale, Rural & Retail 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. Competition for mortgages and savings is likely to continue in 2015.

In 2014, 70 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the

Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, have historically been impacted by business cycles only in a limited way.

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

### **Interest rates**

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, a low interest rate environment could adversely affect Rabobank Group's results, as due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest-bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may start an upward trend if 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 2015, 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 notes to the audited consolidated financial statements incorporated by reference into this Base Prospectus for additional discussion of the application of Rabobank Group's accounting policies.

### **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:



## *Management's discussion and analysis of financial condition and results of operations*

- 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 twelve 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 CFRO 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 for the year ended 31 December 2013 in this Base Prospectus have been restated (see the Consolidated Financial Statements 2014 Rabobank Group, under note 2.1, "Changes in accounting policies and presentation as a result of new guidelines"). Where the year ended 31 December 2014 is compared with the year ended 31 December 2013, the restated figures for 2013 are discussed.

### **Results of operations**

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

<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Interest .....	9,118	9,095	9,171
Commission .....	1,879	2,001	2,228
Other income .....	1,860	1,934	2,217
<b>Total income</b> .....	<b>12,857</b>	<b>13,030</b>	<b>13,616</b>

<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Staff costs .....	5,086	5,322	5,494
Other administrative expenses .....	2,532	3,910	2,982
Depreciation .....	437	528	527
<b>Operating expenses</b> .....	<b>8,055</b>	<b>9,760</b>	<b>9,003</b>
<b>Gross result</b> .....	<b>4,802</b>	<b>3,270</b>	<b>4,613</b>
Value adjustments .....	2,633	2,643	2,350
Bank tax expense and resolution levy .....	488	197	196
<b>Operating profit before taxation</b> .....	<b>1,681</b>	<b>430</b>	<b>2,067</b>
Taxation .....	(161)	88	158
Net profit from continuing operations .....	1,842	342	1,909
Net profit from discontinued operations .....	—	1,665	149
<b>Net profit</b> .....	<b>1,842</b>	<b>2,007</b>	<b>2,058</b>

**Year ended 31 December 2014 compared to year ended 31 December 2013**

*Total income.* Rabobank Group's total income decreased 1 per cent. in 2014, falling to €12,857 million compared to €13,030 million in 2013. The decrease was mainly due to a decrease in commission income resulting from lower commission profit on insurance and investments products at the domestic retail banking business.

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

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

*Other income.* In 2013, other income was affected by impairments on land holdings and negative revaluations of real estate. The result on hedge accounting improved in 2014 due to the development in the yield curve. On the other hand, the result on structured notes was down due to a narrowing of the credit spread. Moreover and in 2013 only, pension income arising from the transition to a new pension scheme was recognised under other income. On balance, other income was down €74 million in 2014 at €1,860 million compared to €1,934 million in 2013.

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

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

*Other administrative expenses.* Other administrative expenses declined by €1,378 million to €2,532 million in 2014 compared to €3,910 million in 2013. In 2013, the settlement amount of €774 million following the LIBOR investigations was recognised under other administrative expenses.

Reorganisation expenses were also lower in 2014 at both the local Rabobanks and at Rabo Real Estate Group. Furthermore, in 2014 Rabobank released a part of the provision made in connection with the bankruptcy of DSB Bank N.V. This release also contributed to the lower administrative expenses.

*Depreciation.* Depreciation fell by €91 million to €437 million in 2014 compared to €528 million in 2013 due in part to the sale of Bank BGZ.

*Value adjustments.* Value adjustments were down €10 million at Group level, declining to €2,633 million in 2014 compared to €2,643 million in 2013. At 60 basis points of average lending in 2014 compared to 59 basis points in 2013, bad debt costs were 28 basis points above the long-term average of 32 basis points (based on the period from 2004 to 2013). The asset quality review ("**AQR**") led to an expense of €448 million. This expense was mainly expressed in the figures for the domestic retail banking business (the local Rabobanks) and in the figures for Rabo Real Estate Group (FGH Bank). At the local Rabobanks, sectors such as manufacturing and wholesale benefited from the increase in exports. Other sectors such as commercial real estate and greenhouse horticulture continued to experience difficulties in 2014. The total bad debt costs at the domestic retail banking business rose slightly on balance. At Wholesale, Rural & Retail, bad debt costs at Rural & Retail declined, mainly due to lower bad debt costs at ACC Loan Management. Bad debt costs also declined at DLL. Bad debt costs on commercial real estate at Rabo Real Estate Group remained at a high level in 2014 and were higher than in 2013.

*Bank tax expense and resolution levy.* The bank tax expense and the resolution levy led to an expense item for Rabobank Group of €488 million in 2014, compared to €197 million in 2013. The increase was the result of the resolution levy, which had an adverse effect on Rabobank Group's results of operations in 2014.

*Taxation.* The recognised tax expense was minus €161 million in 2014 compared to €88 million in 2013, which corresponds to an effective tax rate of minus 9.6 per cent. in 2014 compared to 20.5 per cent. in 2013. The low tax rate in 2014 was mainly due to deferred tax assets as a result of the past losses incurred at ACC Loan Management.

*Net profit.* Net profit decreased by 8 per cent. to €1,842 million in 2014 compared to €2,007 million in 2013. The result in 2014 was negatively affected by €321 million as a result of the resolution levy, a non-recurring levy by the government on the Dutch banking sector in connection with the nationalisation of SNS Reaal. There were also positive effects on the result in 2013, notably due to the sale of Robeco. Without these non-recurring items, there was a strong improvement in the result. The net profit from continuing operations, which does not account for the profit from discontinued operations such as the sale of Robeco in 2013, was up €1,500 million, increasing to €1,842 million in 2014 compared to €342 million in 2013.

#### **Year ended 31 December 2013 compared to year ended 31 December 2012**

*Total income.* Rabobank Group's total income decreased 4 per cent. in 2013, falling to €13,030 million compared to €13,616 million in 2012. The decrease was mainly due to a decrease in commission income resulting from the sale of Bank Sarasin & Cie. AG ("**Sarasin**"), higher impairments on real estate and landholdings and the lower results from hedge accounting.

*Interest.* Interest income remains more or less stable at €9,095 million in 2013 compared to €9,171 million in 2012. This was due to a restoration of the margin on savings at the local Rabobanks and the loss of part of the interest income due to the sale of Sarasin.

*Commission.* Sarasin was still contributing to commission income for six months in 2012. Partly due to the absence of this income in 2013, commission income decreased 10 per cent. to €2,001 million in 2013 compared to €2,228 million in 2012.

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*Other income.* Other income was down €283 million in 2013 at €1,934 million compared to €2,217 million in 2012. Other income rose as a result of the transition to the new pension scheme, however this item was negatively affected by higher impairments on real estate and land holdings and the lower result from hedge accounting. These developments drove the 13 per cent. decrease in other income.

*Operating expenses.* Rabobank Group's operating expenses rose by 8 per cent. in 2013 to €9,760 million compared to €9,003 million in 2012, mainly due to an increase in other administrative expenses.

*Staff costs.* Staff costs decreased by 3 per cent. to €5,322 million in 2013 compared to €5,494 million in 2012. Staff numbers declined by 2,758 FTE in 2013, to 56,870 FTE compared to 59,628 FTE in 2012, 1,387 FTE of which was due to the sale of Robeco. There was also a decline of 1,689 FTE at the local Rabobanks and Friesland Bank. The employee expenses at Sarasin were still included in the operating expenses at group level for six months in 2012. The decline in staff, in combination with the absence of the expenses for Sarasin, caused employee expenses to decline by €169 million.

*Other administrative expenses.* Other administrative expenses rose by 31 per cent. to €3,910 million in 2013 compared to €2,982 million in 2012. Other administrative expenses rose at Rabobank International as a result of the settlements relating to the LIBOR investigations. Please see "Description of Business of Rabobank Group – Legal and arbitration proceedings". At Rabobank Nederland, other administrative expenses increased due to higher costs of innovation associated with the further development of the virtual customer service as part of Vision 2016 Programme. Moreover, both the local Rabobanks and Rabo Real Estate Group faced higher costs of reorganisation. The implementation of Vision 2016 Programme led to heavy cuts in staff at the local Rabobanks, and a decision was made to phase out the commercial real estate development activities at Rabo Real Estate Group. The sale of Sarasin on the other hand led to a reduction in other administrative expenses. On balance, these developments resulted in a 31 per cent. increase in other administrative expenses.

*Depreciation.* Depreciation remained virtually unchanged at €528 million in 2013 compared to €527 million in 2012.

*Value adjustments.* Value adjustments were up 12 per cent. at Group level, rising to €2,643 in 2013 compared to €2,350 million in 2012. At 59 basis points of average lending in 2013 compared to 52 basis points in 2012, bad debt costs were 31 basis points above the long-term average of 28 basis points (based on the period 2003 to 2012). There was a further increase in bad debt costs at Rabo Real Estate Group due to the continuing poor state of the real estate market in the Netherlands. For the local Rabobanks, commercial real estate, inland shipping and greenhouse horticulture also suffered in 2013. In addition, the low level of domestic spending led to difficulties for sectors focusing on the domestic retail market. Export-oriented companies were able to benefit from the increase in world trade. The total bad debt costs at the domestic retail banking division were slightly above the high level seen in 2012. At Wholesale, Rural & Retail, which has a more internationally diversified portfolio, the level of value adjustments fell. At DLL, value adjustments rose slightly.

*Bank tax expense and resolution levy.* The bank tax led to an additional expense item for Rabobank Group of €197 million in 2013, compared to €196 million in 2012.

*Taxation.* The recognised tax expense was €88 million in 2013 compared to €158 million in 2012, which corresponds to an effective tax rate of 20.5 per cent. in 2013 compared to 7.6 per cent. in 2012. The relatively low tax burden was due to the fact that certain associates, such as Achmea, were not subject to tax.

*Net profit.* Net profit decreased by 2 per cent. to €2,007 million in 2013 compared to €2,058 million in 2012. The sale of Robeco and the transition to the new pension scheme had a non-recurring positive effect while the settlements in relation to the LIBOR investigations had a negative effect. The impairments on land holdings and real estate projects and the increase in the reorganisation provisions at the local Rabobanks also contributed to the decrease, as did the lower result from hedge accounting

and the higher value adjustments. An amount of €929 million in 2013 compared to €843 million in 2012 remains net of non-controlling interests and payments on 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 euros)	2014	2013	2012
Interest.....	5,783	5,605	5,180
Commission .....	1,318	1,319	1,344
Other income .....	349	616	765
<b>Total income</b> .....	<b>7,450</b>	<b>7,540</b>	<b>7,289</b>
Staff costs .....	2,302	2,463	2,454
Other administrative expenses .....	2,233	2,408	1,755
Depreciation.....	127	144	151
<b>Operating expenses</b> .....	<b>4,662</b>	<b>5,015</b>	<b>4,360</b>
<b>Gross result</b> .....	<b>2,788</b>	<b>2,525</b>	<b>2,929</b>
Value adjustments .....	1,422	1,384	1,329
Bank tax expense and resolution levy .....	354	90	91
<b>Operating profit before taxation</b> .....	<b>1,012</b>	<b>1,051</b>	<b>1,509</b>
Taxation .....	261	270	205
<b>Net profit</b> .....	<b>751</b>	<b>781</b>	<b>1,304</b>

### Year ended 31 December 2014 compared to year ended 31 December 2013

*Total income.* Domestic retail banking total income decreased by 1 per cent., falling to €7,450 million in 2014, compared to €7,540 million in 2013. This decrease was mainly due to a decrease in other income.

*Interest.* Interest income increased 3 per cent. to €5,783 million in 2014, compared to €5,605 million in 2013, which was due to a slight recovery in margins on private savings.

*Commission.* Commission was more or less stable at €1,318 million in 2014, compared to €1,319 million in 2013. Commission profit on insurance and investment products was lower in 2014 than in 2013, but was compensated for by higher commission profit on payment services.

*Other income.* Other income decreased by 43 per cent. to €349 million in 2014, compared to €616 million in 2013. The transition to the new pension scheme positively affected other income in 2013. Unlike in 2013, Rabobank Nederland once again distributed dividends to the local Rabobanks in 2014. On balance, there was a net decline in other income.

*Operating expenses.* Total operating expenses for domestic retail banking decreased 7 per cent., declining to €4,662 million in 2014, compared to €5,015 million in 2013, principally as a result of a decrease in staff costs and other administrative expenses.

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*Staff costs.* Staff costs were down 7 per cent. to €2,233 million in 2014, compared to €2,408 million in 2013. The number of staff at the local Rabobanks declined due to the implementation of Vision 2016. The transfer of customers from Friesland Bank to Rabobank was completed on 1 August 2014. There have been no employees at Friesland Bank since 1 October 2014. As a result of these developments, staff costs fell in 2014.

*Other administrative expenses.* Other administrative expenses were affected by reorganisation costs, costs of innovation and group costs. Reorganisation costs were much lower in 2014 than in 2013, although costs of innovation due to the process of automating services and moving them online in 2014 remained at a similarly high level as 2013. With effect from 2014, the costs incurred by Rabobank Nederland associated with Group activities are recharged to the local Rabobanks, in addition to the normal amounts recharged. On balance, other administrative expenses decreased 7 per cent. to €2,233 million in 2014, compared to €2,408 million in 2013.

*Depreciation.* Depreciation fell by 12 per cent. to €127 million in 2014, compared to €144 million in 2013, as a result of lower depreciation on software.

*Value adjustments.* Value adjustments rose by €38 million to reach €1,422 million in 2014, compared to €1,384 million in 2013. At 48 basis points in 2014, compared to 45 basis points in 2013, of average lending, bad debt costs were above the long-term average of 19 basis points, based on the period from 2004 to 2013. Of total lending, 71 per cent. is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 5 basis points in 2014 compared to 6 basis points in 2013.

*Bank tax expense and resolution levy.* The bank tax and resolution levy led to an additional expense item of €354 million in 2014 compared to €90 million in 2013.

*Taxation.* Taxation decreased in 2014 by €9 million to €261 million compared to €270 million in 2013.

*Net profit.* Net profit decreased by 4 per cent. to €751 million in 2014 compared to €781 million in 2013. The net result was negatively affected by the non-recurring resolution levy of €274 million. In 2013, the transition to the new pension scheme positively affected net profit.

### **Year ended 31 December 2013 compared to year ended 31 December 2012**

*Total income.* Domestic retail banking total income increased by 3 per cent., rising to €7,540 million in 2013, compared to €7,289 million in 2012. This increase was mainly due to an increase in interest profit resulting from a partial restoration of margins on savings.

*Interest.* Interest income increased 8 per cent. to €5,605 million in 2013, compared to €5,180 million in 2012, which was due in particular to a partial restoration of margins on savings.

*Commission.* Commission fell by 2 per cent. to €1,319 million in 2013, compared to €1,344 million in 2012, due in part to a decline in insurance commissions.

*Other income.* Other income decreased by 19 per cent. to €616 million in 2013, compared to €765 million in 2012. Contrary to the decision in 2012, the June 2013 general members meeting decided that Rabobank Nederland should not pay a dividend to the local Rabobanks. The transition to the new pension scheme positively affected other income.

*Operating expenses.* Total operating expenses for domestic retail banking increased 15 per cent., rising to €5,015 million in 2013, compared to €4,360 million in 2012, principally as a result of an increase in other administrative expenses.

*Staff costs.* Despite lower staff numbers, staff costs remained more or less unchanged at €2,463 million in 2013, compared to €2,454 million in 2012. This was due to the increase in individual redundancy payments in 2013.

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*Other administrative expenses.* Other administrative expenses increased 37 per cent. to €2,408 million in 2013, compared to €1,755 million in 2012, driven by higher reorganisation costs in connection with Vision 2016 and increased costs of innovation at Rabobank Nederland, which are fully recharged to the local Rabobanks.

*Depreciation.* Depreciation fell to €144 million in 2013, compared to €151 million in 2012, because of lower amortisation of intangible non-current assets.

*Value adjustments.* Value adjustments rose by €55 million to reach €1,384 million in 2013, compared to €1,329 million in 2012. At 45 basis points in 2013, compared to 44 basis points in 2012, of average lending, bad debt costs were above the long-term average of 16 basis points, based on the period from 2003 to 2012. Of lending, 69 per cent. is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 6 basis points in 2013 compared to 6 basis points in 2012.

*Bank tax expense and resolution levy.* The bank tax led to an additional expense item of €90 million in 2013 compared to €91 million in 2012.

*Taxation.* Taxation increased in 2013 by €65 million to €270 million compared to €205 million in 2012.

*Net profit.* Net profit decreased by 40 per cent. to €781 million in 2013 compared to €1,304 million in 2012. The establishment of reorganisation plans associated with the Vision 2016 programme and increased costs of innovation at Rabobank Nederland, which are fully recharged to the local Rabobanks, contributed to the decrease.

**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:

<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Interest .....	2,416	2,606	2,775
Commission .....	552	641	618
Other income .....	799	793	612
<b>Total income</b> .....	<b>3,767</b>	<b>4,040</b>	<b>4,005</b>
Staff costs .....	1,164	1,270	1,320
Other administrative expenses .....	1,166	1,736	976
Depreciation.....	87	126	120
<b>Operating expenses</b> .....	<b>2,417</b>	<b>3,132</b>	<b>2,416</b>
<b>Gross result</b> .....	<b>1,350</b>	<b>908</b>	<b>1,589</b>
Value adjustments .....	420	568	621
Bank tax expense .....	67	75	60
<b>Operating profit before taxation</b> .....	<b>863</b>	<b>265</b>	<b>908</b>
Taxation .....	105	219	204
<b>Net profit</b> .....	<b>758</b>	<b>46</b>	<b>704</b>

**Year ended 31 December 2014 compared to year ended 31 December 2013**

*Total income.* Total income at Wholesale banking and international retail banking decreased by 7 per cent. to €3,767 million in 2014 compared to €4,040 million in 2013. This decrease was mainly attributable to a decline in interest income.

*Interest.* Interest income declined by 7 per cent. to €2,416 million in 2014, compared to €2,606 million in 2013. The lower level of activity as a result of the sale of Bank BGZ and the reduction of the high-risk activities contributed to this decline.

*Commission.* Commission decreased by 14 per cent. to €552 million in 2014, compared to €641 million in 2013, driven by lower level of commission generating activity as a result of the sale of Bank BGZ.

*Other income.* A further reduction and a positive revaluation of illiquid assets contributed positively to the other income in 2014. In 2014, other income rose by 1 per cent. €799 million, compared to €793 million in 2013.

*Operating expenses.* Total operating expenses of Wholesale banking and international retail banking decreased by 23 per cent. to €2,417 million in 2014, compared to €3,132 million in 2013, principally as a result of a decrease in other administrative expenses.

*Staff costs.* Staff costs decreased by 8 per cent. to €1,164 million in 2014, compared to €1,270 in 2013. The sale of Bank BGZ led to a decline in the number of employees of 5,289 FTE. The reduction in staff in combination with the lower level of activity contributed to a decline in staff costs.

*Other administrative expenses.* Other administrative expenses were down 31 per cent. to €1,166 million in 2014, compared to €1,736 million in 2013. This item was high in 2013 because it included the settlements agreed by Rabobank relating to the LIBOR investigations.

*Depreciation.* Lower amortisation of intangible non-current assets and software led to a decline in depreciation by 31 per cent. to €87 million, compared to €126 million in 2013.

*Value adjustments.* Value adjustments at Wholesale banking and international retail banking decreased by 26 per cent. to €420 million in 2014, compared to €568 million in 2013. Bad debt costs amounted to 44 basis points in 2014, compared to 57 basis points in 2013 of average lending, which is lower than the long-term average of 57 basis points (based on the period 2004 to 2013).

*Bank tax expense.* The bank tax expense led to an additional expense item of €67 million in 2014, compared to €75 million in 2013.

*Taxation.* Taxation decreased in 2014 by €114 million to €105 million, compared to €219 million in 2013.

*Net profit.* Net profit increased by €712 million to €758 million in 2014 compared to €46 million in 2013. Lower operating expenses and lower value adjustments at both the international rural and retail banking and the wholesale banking business led to an increase in net profit.

**Year ended 31 December 2013 compared to year ended 31 December 2012**

*Total income.* Total income at Wholesale banking and international retail banking increased by 1 per cent. to €4,040 million in 2013 compared to €4,005 million in 2012. This increase was attributable in particular to a €181 million rise in other income.

*Interest.* Interest income declined by 6 per cent. to €2,606 million in 2013, compared to €2,775 million in 2012, due in part to the decrease in the loan portfolio and interest expenses relating to RaboDirect.

*Commission.* Commission increased by 4 per cent. to €641 million in 2013, compared to €618 million in 2012, driven by higher commission income at Capital Markets.



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*Other income.* In 2013, other income rose by €181 million to €793 million, compared to €612 million in 2012. Positive results from Corporate Lending, Capital Markets, Acquisition Finance and Global Client Solutions and the phasing out of the illiquid asset portfolio contributed to the increase.

*Operating expenses.* Total operating expenses of Wholesale banking and international retail banking increased by 30 per cent. to €3,132 million, compared to €2,416 million in 2012, principally as a result of an increase in other administrative expenses.

*Staff costs.* Staff costs decreased by 4 per cent. to €1,270 million in 2013, compared to €1,320 million in 2012. There was a one-off increase in pension costs in 2012, and partly because this item returned to historically normal levels in 2013, staff costs declined.

*Other administrative expenses.* As a result of the settlements agreed by Rabobank in the wake of the LIBOR investigations, other administrative expenses were up 78 per cent. to €1,736 million in 2013, compared to €976 million in 2012.

*Depreciation.* Depreciation grew by 6 per cent. to €126 million, compared to €120 million in 2012, due to increased write-offs on proprietary software.

*Value adjustments.* Value adjustments at Wholesale banking and international retail banking decreased by 9 per cent. to €568 million in 2013, compared to €621 million in 2012. Bad debt costs amounted to 57 basis points in 2013, compared to 59 basis points in 2012 of average lending, which is higher than the long-term average of 54 basis points (based on the period 2003 to 2012).

*Bank tax expense.* The bank tax expense led to an additional expense item of €75 million in 2013, compared to €60 million in 2012.

*Taxation.* Taxation increased in 2013 by €15 million to 219 million, compared to €204 million in 2012.

*Net profit.* Net profit decreased by 94 per cent. to €46 million in 2013 compared to €704 million in 2012. This decrease was mainly due to the settlements agreed by Rabobank after the LIBOR investigations.

### **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 euros)</i>	2014	2013	2012
Interest .....	1,000	973	952
Commission .....	30	52	63
Other income .....	548	545	442
<b>Total income</b> .....	<b>1,578</b>	<b>1,570</b>	<b>1,457</b>
Staff costs .....	535	517	526
Other administrative expenses .....	251	198	223
Depreciation .....	48	49	47
<b>Operating expenses</b> .....	<b>834</b>	<b>764</b>	<b>796</b>
<b>Gross result</b> .....	<b>744</b>	<b>806</b>	<b>661</b>
Value adjustments .....	131	170	147
Bank tax expense .....	9	9	9

Year ended 31 December

(in millions of euros)	2014	2013	2012
<b>Operating profit before taxation</b> .....	604	627	505
Taxation .....	168	205	138
<b>Net profit</b> .....	436	422	367

**Year ended 31 December 2014 compared to year ended 31 December 2013**

*Total income.* DLL's total income increased by 1 per cent., rising to €1,578 million in 2014, compared to €1,570 million in 2013. The increase was in particular attributable to a 3 per cent. increase in interest income.

*Interest.* Interest income was up by 3 per cent. to €1,000 million in 2014, compared to €973 million in 2013. Growth of the average lease portfolio contributed to the increase.

*Commission.* Commission income fell by €22 million to €30 million in 2014, compared to €52 million in 2013. Commissions were relatively high in 2013 as a result of the strong growth of the portfolio in Brazil. Commission profit returned to a more normal level in 2014 mainly due to the decline of the portfolio in Brazil.

*Other income.* Other incomes increased by 1 per cent. to €548 million, compared to €545 million in 2013. Other income consist mainly of the result from sales of leased products and income from operational lease contracts. Both these items showed a limited increase compared to 2013.

*Operating expenses.* Total operating expenses at DLL were up 9 per cent. to €834 million in 2014, compared to €764 million in 2013, principally due to higher other administrative expenses.

*Staff costs.* Staff costs were up 3 per cent., reaching €535 million in 2014, compared to €517 million in 2013, due to the increase in workforce.

*Other administrative expenses.* With effect from 2014, the costs incurred by Rabobank Nederland for Group activities are recognised at the segments under other administrative expenses. Primarily due to this change, other administrative expenses rose 27 per cent. to €251 million, compared to €198 million in 2013.

*Depreciation.* Depreciation was more or less stable at €48 million, compared to €49 million in 2013.

*Value adjustments.* DLL's value adjustments decreased by 23 per cent. to €131 million, compared to €170 million in 2013. Expressed in basis points of average lending, value adjustments stood at 43 basis points in 2014 compared to 59 basis points in 2013. Value adjustments are now 25 basis points below the long-term average of 68 basis points (based on the period 2004 to 2013). The diversification of the lease portfolio across countries and sectors in combination with the economic recovery and strict risk management contributed to the lower level of value adjustments.

*Bank tax expense.* The bank tax expense led to an additional expense item of €9 million in 2014, compared to €9 million in 2013.

*Taxation.* Taxation decreased in 2014 by €37 million to €168 million compared to €205 million in 2013.

*Net profit.* Net profit increased 3 per cent. to €436 million in 2014 compared to €422 million in 2013. The increase was mainly due to the decrease in value adjustments.

**Year ended 31 December 2013 compared to year ended 31 December 2012**

*Total income.* DLL's total income increased by 8 per cent., rising to €1,570 million in 2013, compared to €1,457 million in 2012. The increase was in particular attributable to a 23 per cent. increase in other income.

*Interest.* Interest income was up by 2 per cent. to €973 million in 2013, compared to €952 million in 2012. Growth of the average lease portfolio contributed to this increase.

*Commission.* Commission income fell by €11 million to €52 million, compared to €63 million in 2012, due to a change in presentation of amounts received.

*Other income.* Residual value gains on sales of leased products rose in comparison to 2012. This contributed to the increase in other income of 23 per cent. to €545 million, compared to €442 million in 2012.

*Operating expenses.* Total operating expenses at DLL fell by 4 per cent. to €764 million in 2013, compared to €796 million in 2012, principally due to lower other administrative expenses.

*Staff costs.* Staff costs were down €9 million, reaching €517 million, compared to €526 million in 2012, due in part to the depreciation of several foreign currencies.

*Other administrative expenses.* Other administrative expenses fell by 11 per cent. to €198 million, compared to €223 million in 2012. The Action project was launched in 2012, with the aim of reducing costs and increasing organisational efficiency. The effects of this were visible in 2013, in the form of the 11 per cent. decline in other administrative expenses.

*Depreciation.* Depreciation was slightly higher at €49 million, compared to €47 million in 2012, mainly due to higher depreciation of inventory.

*Value adjustments.* DLL's value adjustments increased by 16 per cent. to €170 million, compared to €147 million in 2012. The diversification of the lease portfolio across countries and sectors in combination with strict risk management contributed to the relatively limited increase. Expressed in basis points of average lending, value adjustments stood at 59 basis points in 2013 compared to 53 basis points in 2012. Value adjustments are now 9 basis points below the long-term average of 68 basis points (based on the period 2003 to 2012).

*Taxation.* Taxation increased in 2013 by €67 million to €205 million compared to €138 million in 2012.

*Net profit.* Net profit increased 15 per cent. to €422 million in 2013 compared to €367 million in 2012. The increase was mainly due to an increase in interest income in combination with lower costs.

**Real estate**

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

(in millions of euros)	Year ended 31 December		
	2014	2013 (restated)	2012
Interest .....	313	335	312
Commission .....	36	29	35
Other income .....	261	(556)	104
<b>Total income</b> .....	<b>610</b>	<b>(192)</b>	<b>451</b>
Staff costs .....	198	193	193

Year ended 31 December

<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Other administrative expenses .....	104	119	89
Depreciation .....	9	27	19
<b>Operating expenses</b> .....	<b>311</b>	<b>339</b>	<b>301</b>
<b>Gross result</b> .....	<b>299</b>	<b>(531)</b>	<b>150</b>
Value adjustments .....	656	513	237
Bank tax expense .....	8	8	8
<b>Operating profit before taxation</b> .....	<b>(365)</b>	<b>(1,052)</b>	<b>(95)</b>
Taxation .....	(102)	(238)	12
<b>Net profit</b> .....	<b>(263)</b>	<b>(814)</b>	<b>(107)</b>

**Year ended 31 December 2014 compared to year ended 31 December 2013**

*Total income.* Total income in Rabobank Group's real estate business increased by €802 million to €610 million in 2014 compared to minus €192 million in 2013 due to higher other income.

*Interest.* Interest income decreased by 7 per cent. to €313 million in 2014 compared to €335 million in 2013, due to the contraction of the loan portfolio.

*Commission.* Commission increased by 24 per cent. to €36 million, compared to €29 million in 2013, as a result of certain non-recurring income items.

*Other income.* Contrary to 2013, there were only limited downward valuations of land positions and revaluations of land operations in 2014. Downward valuations of commercial real estate holdings were also down and the sale of the PalaisQuartier was achieved with a book profit in 2014. Residential property sales also rose. Due to these developments other income rose by €317 million to €261 million in 2014, compared to minus €556 million in 2013.

*Operating expenses.* Total operating expenses in Rabobank Group's real estate business decreased by 8 per cent. in 2014, reaching €311 million, compared to €339 million in 2013, mainly due to lower administrative expenses.

*Staff costs.* Staff costs rose by 2 per cent. to €198 million compared to €195 million in 2013, due to the hiring of temporary personnel and higher pension expenses.

*Other administrative expenses.* A reorganisation provision was formed in 2013 as a result of the phase-out of the activities of MAB Development. The expense associated with this was recognised under other administrative expenses. It was mainly the absence of this item that caused other administrative expenses to decrease by 13 per cent. to €104 million in 2014, compared to €119 million in 2013.

*Depreciation.* Depreciation decreased by €18 million to €9 million in 2014 compared to €27 million in 2013, primarily because the intangible non-current assets of Bouwfonds Holding had already largely been amortised in 2013.

*Value adjustments.* Value adjustments were €656 million in 2014, compared to €513 million in 2013, which corresponds to 364 basis points in 2014 compared to 278 basis points in 2013 of average lending. Value adjustments are now 311 basis points above the long-term average of 53 basis points (based on the period 2004 to 2013). Value adjustments rose due to the poor state of the Dutch real estate market in 2013 that impacted value adjustments in 2014 because the market for real estate

finance is late-cyclical in nature meaning that it takes longer for an economic recovery to be reflected in the figures. Furthermore, the market is still dealing with long-term developments that have led to an excess of supply.

*Bank tax expense.* The bank tax expense led to an additional expense item of €8 million in 2014, compared to €8 million in 2013.

*Taxation.* Taxation increased by €136 to minus €102 million in 2014 compared to minus €238 million in 2013.

*Net profit.* Net profit increased by €551 million to minus €263 million in 2014 compared to minus €814 million in 2013. Contrary to 2013, there were no heavy downward valuations on land positions and land operations.

### **Year ended 31 December 2013 compared to year ended 31 December 2012**

*Total income.* Total income in Rabobank Group's real estate business decreased by 143 per cent. to minus 192 million in 2013 compared to €451 million in 2012 due to lower other income.

*Interest.* Interest income increased by €23 million to €335 million in 2013 compared to €312 million in 2012, due to improved margins on new loans and extensions.

*Commission.* The size of the loan portfolio was more or less unchanged. Commission also remained fairly stable at €29 million, compared to €35 million in 2012.

*Other income.* Impairments on land holdings and revaluations of land operations amounted to €567 million, partly due to the postponement of projects. Large impairments were also recognised on commercial real estate holdings. This led to a decrease in other income by 635 per cent. to minus €556 million in 2013, compared to €104 million in 2012.

*Operating expenses.* Total operating expenses in Rabobank Group's real estate business increased by 13 per cent. in 2013, reaching €339 million, compared to €301 million in 2012, mainly due to higher administrative expenses.

*Staff costs.* Due in part to additional staff at FGH Bank and Fondsenbeheer Nederland, the number of staff increased by 26 FTE to 1,554, compared to 1,528 FTE in 2012. Staff costs rose slightly as a result, by 3 per cent. to €198 million, compared to €193 million in 2012.

*Other administrative expenses.* Other administrative expenses increased by 34 per cent. to €119 million in 2013, compared to €89 million in 2012. The increase was mostly due to the formation of a reorganisation provision for the phasing out of the activities of MAB Development.

*Depreciation.* Depreciation increased by 42 per cent. to €27 million in 2013 compared to €19 million in 2012, mainly due to higher depreciation on real estate.

*Value adjustments.* Value adjustments stood at €513 million in 2013, compared to €237 million in 2012, which corresponds to 278 basis points in 2013 compared to 124 basis points in 2012 of average lending. Value adjustments rose due to the continuing poor state of the Dutch real estate market in 2013.

*Taxation.* Taxation decreased by €250 to minus €238 million in 2013 compared to €12 million in 2012.

*Net profit.* Net profit decreased by €707 million to minus €814 million in 2013 compared to minus €107 million in 2012. The decrease was mainly due to heavy impairments on land holdings, revaluations of land operations and a decline in the number of housing transactions (especially in the Netherlands and France) at Bouwfonds Property Development and the large increase in value adjustments to receivables at the property financier FGH Bank.

### Loan portfolio

The Dutch economy grew in 2014 due to a cautious increase in exports and investment. Exports grew due to economic growth in the eurozone. Residential property sales rose, which contributed to an increase in investment. Consumers remained cautious, due to the continuing high level of unemployment. Many households chose to restore their balance sheets by repaying debt. These developments put a brake on growth in consumption. The effects of these domestic economic conditions were visible in the development of the loan portfolio. Due to these developments, the loans to customers item increased by 1 per cent., or €6.5 billion, to €462.4 billion at 31 December 2014 from €455.9 billion at 31 December 2013. The private sector loan portfolio decreased by €4.3 billion to €430.4 billion at 31 December 2014, a decrease of 1 per cent. from €434.7 billion at 31 December 2013. Loans to private individuals, primarily for mortgage finance, were down €5.6 billion, or 3 per cent., to €210.8 billion at 31 December 2014. 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 €4.0 billion to €127.3 billion at 31 December 2014. Lending to the food and agri sector increased by €5.3 billion to €92.3 billion at 31 December 2014, a 6 per cent. increase.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2014 and 31 December 2013, by category of borrower:

At 31 December				
<i>(in millions of euros and as percentage of total private sector lending)</i>	2014		2013 (restated)	
Private individuals	210,788	49%	216,351	50%
Trade, industry and services sector	127,287	30%	131,364	30%
Food and agri sector	92,316	21%	86,976	20%
<b>Total private sector lending</b>	<b>430,391</b>	<b>100%</b>	<b>434,691</b>	<b>100%</b>

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 2014 and 31 December 2013:

At 31 December				
<i>(in millions of euros and as percentage of total loans to customers)</i>	2014		2013 (restated)	
Less than 1 year.....	108,121	23%	94,921	21%
More than 1 year .....	354,326	77%	360,988	79%
<b>Total loans to customers .....</b>	<b>462,447</b>	<b>100%</b>	<b>455,909</b>	<b>100%</b>

### Funding

At 31 December 2014, amounts due to customers of Rabobank Group were €326.5 billion, more or less stable compared to 31 December 2013. The balance held in savings deposits decreased by €8.9 billion to €142.6 billion, a decrease of 6 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by €9.1 billion to €183.8 billion at 31

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December 2014, largely due to an increase in wholesale banking and international retail banking. Time deposits increased by €13.2 billion to €69.6 billion. At 31 December 2014, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled €189.1 billion compared to €195.4 billion at 31 December 2013. Savings deposits (except fixed-time deposits, from 1 month to 20 years) generally bear interest at rates that Rabobank can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 31 December 2014, 31 December 2013 and 31 December 2012:

	<b>At 31 December</b>		
<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Savings deposits.....	142,622	151,516	149,661
Other due to customers .....	183,849	174,706	184,610
Debt securities in issue .....	189,060	195,361	223,336
Other financial liabilities at fair value through profit or loss .....	19,744	19,069	24,091
<b>Total</b> .....	<b>535,275</b>	<b>540,652</b>	<b>581,698</b>

Rabobank Group also receives funds from the inter-bank and institutional market. Rabobank Group's total due to other banks was €17.9 billion at 31 December 2014, a 22 per cent. increase from €14.7 billion at 31 December 2013.

**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; and
- Available-for-sale financial assets.

<b>Other financial assets at 31 December 2014</b>				
<i>(in millions of euros)</i>	Trading	Other at fair value through profit or loss	Available-for-sale	Total
Purchased loans.....	712	—	—	712
Short-term government securities .....	123	—	2,297	2,420
Government bonds .....	950	12	31,456	32,418
Other debt securities.....	2,117	2,494	4,740	9,351
<b>Loans</b> .....	<b>—</b>	<b>1,090</b>	<b>—</b>	<b>1,090</b>
<b>Total debt securities</b> .....	<b>3,902</b>	<b>3,596</b>	<b>38,493</b>	<b>45,991</b>
Venture capital .....	—	274	—	274
Equity instruments .....	377	455	1,277	2,109
<b>Total other assets</b> .....	<b>377</b>	<b>729</b>	<b>1,277</b>	<b>2,383</b>
<b>Total</b> .....	<b>4,279</b>	<b>4,325</b>	<b>39,770</b>	<b>48,374</b>

**Other financial assets at 31 December 2014**

<i>(in millions of euros)</i>	Trading	Other at fair value through profit or loss	Available-for-sale	Total
Category 1 <sup>(1)</sup> .....	3,059	318	36,974	40,351
Category 2 <sup>(1)</sup> .....	1,091	2,274	1,805	5,170
Category 3 <sup>(1)</sup> .....	129	1,733	991	2,853

**Other financial assets at 31 December 2013 (restated)**

<i>(in millions of euros)</i>	Trading	Other at fair value through profit or loss	Available-for-sale	Total
Purchased loans.....	1,171	—	—	1,171
Short-term government securities .....	204	—	1,710	1,914
Government bonds .....	1,086	63	35,714	36,863
Other debt securities.....	2,109	2,885	8,170	13,164
<b>Loans.....</b>	<b>—</b>	<b>1,056</b>	<b>—</b>	<b>1,056</b>
<b>Total debt securities.....</b>	<b>4,570</b>	<b>4,004</b>	<b>45,594</b>	<b>54,168</b>
Venture capital .....	—	549	—	549
Equity instruments .....	719	386	958	2,063
<b>Total other assets.....</b>	<b>719</b>	<b>935</b>	<b>958</b>	<b>2,612</b>
<b>Total.....</b>	<b>5,289</b>	<b>4,939</b>	<b>46,552</b>	<b>56,780</b>
Category 1 <sup>(1)</sup> .....	2,959	371	42,597	45,927
Category 2 <sup>(1)</sup> .....	2,155	2,962	3,645	8,762
Category 3 <sup>(1)</sup> .....	175	1,606	310	2,091

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 euros)</i>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Financial guarantees	11,826	11,429	14,904
Letters of credit	5,392	5,919	5,583
Credit granting liabilities	35,432	32,126	33,061
Other contingent liabilities	—	82	—
<b>Total credit related and contingent liabilities</b>	<b>52,650</b>	<b>49,556</b>	<b>53,548</b>
Revocable credit facilities	51,327	45,031	45,083
<b>Total credit related commitments</b>	<b>103,977</b>	<b>94,587</b>	<b>98,631</b>

### Capital adequacy

Rabobank wishes to have an adequate solvency position, which it manages based on a number of ratios. The principal ratios are the common equity Tier 1 ratio, the Tier 1 ratio, the BIS ratio (capital ratio) and the equity capital ratio. Rabobank's internal targets exceed the regulators' minimum requirements as it anticipates market expectations and developments in laws and regulations. Rabobank seeks to stand out from other financial institutions, managing its solvency position based on policy documents. The Balance Sheet and Risk Management Committee Rabobank Group (effective 1 January 2015, this was divided into the Risk Management Committee and the Asset and Liability Committee), the Executive Board and the Supervisory Board periodically discuss the solvency position and the targets to be used.

Rabobank must comply with a number of minimum solvency positions stipulated under the law. The solvency position is determined based on ratios. These ratios compare Rabobank's BIS ratio and common equity Tier 1 ratio with the total amount of the risk-weighted assets. The minimum required percentages under the CRD IV are 8 per cent. and 4 per cent. of the risk-weighted assets, respectively.

The determination of the risk-weighted assets is based on separate methods for credit risk, operational risk and market risk. The risk-weighted assets are determined for credit risk purposes in many different ways. For most assets the risk weight is determined with reference to internal ratings and a number of characteristics specific to the asset concerned. For off-balance sheet items the balance sheet equivalent is calculated first, on the basis of internal conversion factors. The resulting equivalent amounts are then also assigned risk-weightings. An Advanced Measurement Approach Model is used to determine the amount with respect to the risk-weighted assets for operational risk. With the market risk approach, the general market risk is hedged, as well as the risk of open positions in foreign currencies, debt and equity instruments, as well as commodities.

The common equity Tier 1 ratio, the Tier 1 ratio and the BIS ratio are the most common ratios used to measure solvency. The common equity Tier 1 ratio expresses the relationship between common equity Tier 1 capital and total risk-weighted assets. At 31 December 2014, Rabobank Group's common equity Tier 1 ratio stood at 13.6 per cent. (year-end 2013; 13.5 per cent.).

Risk-weighted assets were up €1.1 billion to €211.9 billion at 31 December 2014 compared to €210.8 billion at 31 December 2013. The addition of profits was a contributing factor in the €0.1 billion increase in common equity Tier 1 capital to €28.7 billion at 31 December 2014 compared to €28.6 billion at 31 December 2013. 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 2014, Rabobank Group's Tier 1 ratio stood at 16.0 per cent. (year-end 2013: 16.6 per cent.). The minimum requirement set by external supervisors under the CRDIV is 6.0 per cent.

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The BIS ratio is calculated by dividing the total of Tier 1 and Tier 2 capital by the total of risk-weighted assets. At 31 December 2014, the BIS ratio stood at 21.3 per cent. (year-end 2013: 19.8 per cent.). This exceeds the current minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the development in capital and solvency ratios of Rabobank Group at 31 December 2014, 31 December 2013 and 31 December 2012:

**Development in capital and solvency ratios**

	<b>At 31 December</b>		
<i>(in millions of euros, except percentages)</i>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Common equity Tier 1 capital	28,714	28,551	29,253
Common equity Tier 1 ratio	13.6%	13.5%	13.1%
Tier 1 capital	33,874	35,092	38,358
Tier 1 ratio	16.0%	16.6%	17.2%
Qualifying capital	45,139	41,650	42,321
BIS ratio	21.3%	19.8%	19.0%

**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>	2014	2013	2012	2011	2010
Return on assets <sup>(1)</sup>	0.27	0.29	0.28	0.38	0.42
Return on equity <sup>(2)</sup>	4.69	4.88	4.70	6.17	7.00
Equity to assets ratio <sup>(3)</sup>	5.80	5.82	5.96	6.19	4.84

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 euros, except percentages)</i>	2014	2013	2012	2011	2010
Outstanding Rabobank (Member) Certificates <sup>(1)</sup>	5,910	6,219	6,587	6,551	6,368
Payments	385	309	328	315	303
Average yield	6.52%	4.96%	4.98%	4.81%	4.76%

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 2014, 31 December 2013 and 31 December 2012:

	At 31 December		
<i>(in millions of euros)</i>	2014	2013 (restated)	2012
Private sector lending	430,391	434,691	458,091
Government clients	2,135	2,661	3,764
Securities transactions due from private sector lending	18,295	10,697	11,410
Interest rate hedges (hedge accounting)	11,626	7,860	12,034
<b>Total loans to customers</b>	<b>462,447</b>	<b>455,909</b>	<b>485,299</b>
Value adjustments in loans to customers	(9,348)	(8,581)	(3,715)
Reclassified assets	1,295	2,806	4,224
<b>Gross loans to customers</b>	<b>454,394</b>	<b>450,134</b>	<b>484,790</b>

The following table sets forth a geographic breakdown of Rabobank Group's loan portfolio at 31 December 2014, 31 December 2013 and 31 December 2012:

	At 31 December		
<i>(in millions of euros)</i>	2014	2013 (restated)	2012
The Netherlands	1,850	1,541	2,584
Other countries in the EU zone	36	336	408
North America	235	390	444
Latin America	—	40	5
Asia	—	2	256
Australia and New Zealand	14	288	5
Other countries	—	73	61
<b>Total government clients</b>	<b>2,135</b>	<b>2,670</b>	<b>3,764</b>
The Netherlands	322,089	335,046	341,614
Other countries in the EU zone	27,312	26,972	35,737
North America	40,198	36,569	42,010
Latin America	11,273	10,635	11,414
Asia	9,230	6,631	6,284
Australia	19,948	18,698	20,812

At 31 December

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>	<b>2012</b>
Other countries	341	140	220
<b>Total private sector lending</b>	<b>430,391</b>	<b>434,691</b>	<b>458,091</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 2014

<i>Payments due by period</i> <i>(in millions of euros)</i>	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Cash and cash equivalents	41,992	1,377	40	—	—	43,039
Due from other banks	14,373	26,813	2,626	1,206	284	45,302
Trading financial assets	26	839	503	2,214	697	4,279
Other financial assets at fair value through profit or loss	35	752	128	1,122	2,288	4,325
Derivative financial instruments	22	4,375	3,404	12,086	36,602	56,489
Loans to customers	30,380	39,258	38,483	83,696	270,630	462,447
Available-for-sale financial assets	4	3,858	3,090	16,369	16,449	39,770
Deferred tax assets	747	—	—	—	1,754	2,501
Other assets (excluding employee benefits)	744	4,194	1,528	1,539	549	8,554
<b>Total financial assets</b>	<b>88,323</b>	<b>81,466</b>	<b>49,802</b>	<b>118,232</b>	<b>329,253</b>	<b>667,076</b>
Due to other banks	2,287	8,781	1,263	4,953	599	17,883
Due to customers	236,154	45,062	9,728	14,295	21,232	326,471
Debt securities in issue	229	32,318	59,470	63,839	33,204	189,060
Derivative financial instruments and other trade liabilities	176	4,477	3,830	15,421	43,656	67,560
Other debts (excluding employee benefits)	1,715	4,386	713	791	57	7,662
Other financial liabilities at fair value through profit or loss	40	695	1,494	5,611	11,904	19,744
Deferred tax liabilities	473	—	—	—	—	473
Subordinated debt	—	—	3	1,077	10,848	11,928
<b>Total financial liabilities</b>	<b>241,074</b>	<b>95,719</b>	<b>76,501</b>	<b>105,987</b>	<b>121,500</b>	<b>640,781</b>
<b>Net liquidity surplus/(deficit)</b>	<b>(152,751)</b>	<b>(14,253)</b>	<b>(26,699)</b>	<b>12,245</b>	<b>207,753</b>	<b>26,295</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 at the long-

term disposal of Rabobank. The regulations of the supervisory authority also factor this in. Based on the liquidity criteria of the Dutch Central Bank, Rabobank had a substantial liquidity surplus at 31 December 2014 and throughout 2014. The average liquidity surplus was 26 per cent. of the total liquidity requirement.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required.

### **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 2014, the BPV did not exceed €8 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 0.4 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 2 basis points over a one-year period, net interest income would decrease at the most by €55 million in 2014.

### **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 2014, 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:

<i>(in millions of euros)</i>	Banks	Public authorities	Private sector	Total
<b>At 31 December 2014</b>				
France	8,522	3,484	3,343	15,349
United Kingdom	13,641	1	13,245	26,887
Switzerland	382	5,433	1,596	7,411
United States	2,851	1,640	4,411	8,902
<b>At 31 December 2013</b>				

<i>(in millions of euros)</i>	Banks	Public authorities	Private sector	Total
France	6,622	5,253	5,198	17,073
Germany	3,863	4,855	5,709	14,427
United Kingdom	14,218	6,289	10,446	30,953
Poland	96	2,415	7,592	10,103
United States	5,021	23,699	48,710	77,430
Brazil	1,043	615	5,881	7,539
Australia	953	1,898	13,149	16,000
<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

**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 2014:

<b>At 31 December 2014</b>			
<i>(in millions of euros)</i>	On balance	Off balance	Total
Grain and oilseeds	17,474	595	18,069
Animal protein	22,977	405	23,382
Dairy	14,031	79	14,110
Fruit and vegetables	9,933	188	10,121
Farm inputs	7,249	428	7,677
Food retail	4,276	255	4,531
Beverages	3,823	137	3,960
Flowers	1,792	3	1,795
Sugar	2,285	50	2,336
Miscellaneous crop farming	1,772	20	1,792
Other	6,704	245	6,949
<b>Total private sector lending to food and agri</b>	<b>92,316</b>	<b>2,405</b>	<b>94,722</b>
Lessors of real estate	26,202	53	26,255

At 31 December 2014

<i>(in millions of euros)</i>	On balance	Off balance	Total
Finance and insurance (except banks)	14,091	818	14,909
Wholesale	11,194	6,679	17,873
Activities related to real estate	6,253	1,299	7,552
Manufacturing	10,752	1,094	11,846
Transportation and warehousing	6,103	318	6,421
Construction	5,343	1,206	6,549
Healthcare and social assistance	5,968	43	6,011
Professional, scientific and technical services	9,478	458	9,936
Retail (except food and beverages)	4,718	446	5,164
Utilities	2,364	758	3,123
Information and communication	823	60	883
Arts, entertainment and recreation	1,340	13	1,353
Other services	22,657	953	23,611
<b>Total private sector lending to trade, industry and services</b>	<b>127,287</b>	<b>14,199</b>	<b>141,486</b>
Private individuals	210,789	48	210,837
<b>Total private sector lending</b>	<b>430,392</b>	<b>16,653</b>	<b>447,044</b>

Apart from due from other banks (€45.3 billion at 31 December 2014 which is 6.7 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 49 per cent. of the total loan portfolio at 31 December 2014. 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 21 per cent. in 2014. The proportion of the total loan portfolio attributable to trade, industry and services was 30 per cent. at 31 December 2014. 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 2014, these loans amounted to €16,122 million (2013: €16,171 million). The allowance for loan losses covered 59 per cent. (2013: 54 per cent.) of the impaired loans. It should be noted that the application of the write-off in prior years at group level of the allowance for portfolios to which a very low probability of recovery is assigned has ended and accordingly, the reduction of impaired loans by the same amount has ended. This explains the restatement of the figures of the impaired loans and loan loss allowance for 2012 and 2013. Over and above the loan loss allowance, additional coverage is raised through collateral and other securities. Rabobank applies the one-obligor principle for the corporate portfolio, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 31 December 2014, impaired loans corresponded to 3.8 per cent. (2013: 3.7 per cent.) of the private sector loan portfolio.

Management's discussion and analysis of financial condition and results of operations

The following table provides an analysis of Rabobank Group's impaired loans by business at 31 December 2014, 31 December 2013 and 31 December 2012:

	<b>At 31 December</b>		
<i>(in millions of euros)</i>	<b>2014</b>	<b>2013 (restated)</b>	<b>2012 (restated)</b>
Domestic retail banking	8,696	8,987	7,209
Wholesale banking and international retail banking	3,636	3,697	4,670
Leasing	643	721	905
Real estate	3,148	2,767	1,525
Other	—	—	—
<b>Rabobank Group</b>	<b>16,122</b>	<b>16,171</b>	<b>14,308</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:

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013 (restated)</b>	<b>2012 (restated)</b>
Domestic retail banking	4,561	3,866	2,637
Wholesale banking and international retail banking	2,672	2,893	2,680
Asset management	—	—	1
Leasing	455	467	451
Real estate	842	376	205
Other	51	53	42
<b>Total balance at 1 January</b>	<b>8,581</b>	<b>7,655</b>	<b>6,016</b>
Domestic retail banking	1,923	1,979	1,757
Wholesale banking and international retail banking	785	1,000	1,214
Asset management	—	—	—
Leasing	252	276	264
Real estate	678	520	240
Other	10	16	26
<b>Total additions</b>	<b>3,648</b>	<b>3,791</b>	<b>3,501</b>
Domestic retail banking	(454)	(582)	(416)
Wholesale banking and international retail banking	(337)	(408)	(572)
Asset management	—	—	(2)
Leasing	(67)	(40)	(64)
Real estate	(21)	(6)	(2)
Other	(7)	(9)	(8)
<b>Total reversal of impairments</b>	<b>(886)</b>	<b>(1,045)</b>	<b>(1,064)</b>
Domestic retail banking	(1,263)	(826)	(614)
Wholesale banking and international retail banking	(355)	(467)	(400)



Management's discussion and analysis of financial condition and results of operations

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>	<b>2012</b> <i>(restated)</i>
Asset management	—	—	—
Leasing	(268)	(223)	(196)
Real estate	(335)	(34)	(67)
Other	(6)	(10)	(6)
<b>Total written off</b>	<u>(2,227)</u>	<u>(1,560)</u>	<u>(1,284)</u>
Domestic retail banking	69	124	502
Wholesale banking and international retail banking	(51)	(346)	(28)
Asset management	—	—	1
Leasing	6	(25)	12
Real estate	106	(14)	—
Other	—	1	(1)
<b>Total other</b>	<u>(232)</u>	<u>(260)</u>	<u>486</u>
Domestic retail banking	4,836	4,561	3,866
Wholesale banking and international retail banking	2,816	2,672	2,893
Asset management	—	—	—
Leasing	378	455	467
Real estate	1,270	842	376
Other	48	51	53
<b>Total other balance at 31 December</b>	<u>9,348</u>	<u>8,581</u>	<u>7,655</u>

**Due to customers\***

The following table presents a breakdown of due to customers at 31 December 2014, 31 December 2013 and 31 December 2012. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

<b>At 31 December</b>			
<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>	<b>2012</b>
Time deposits	69,614	56,418	56,006
Current accounts/settlement accounts	83,243	82,991	81,640
Repurchase agreements	1,220	1,474	2,299
Other	8,579	9,535	21,525
<b>Total due to customers by businesses</b>	<u>162,656</u>	<u>150,418</u>	<u>161,470</u>
Savings deposits	142,622	151,516	149,661
Current accounts/settlement accounts	20,388	14,470	15,122
Other	805	9,818	8,018
<b>Total due to customers by individuals</b>	<u>163,815</u>	<u>175,804</u>	<u>172,801</u>
<b>Total due to customers</b>	<u>326,471</u>	<u>326,222</u>	<u>334,271</u>

**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 2014, 31 December 2013 and 31 December 2012 is provided below.

<i>(in millions of euros)</i>	2014	2013	2012
Year-end balance	55,065	54,416	61,476
Average balance	56,434	53,389	72,290
Maximum month-end balance	59,842	63,765	82,795

**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 2014, 31 December 2013 and 31 December 2012 is provided below.

<i>(in millions of euros)</i>	2014	2013	2012
Year-end balance	153,739	160,015	185,952
Average balance	156,859	172,906	184,554
Maximum month-end balance	160,014	185,952	191,074

## 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 (and 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 2014 and 31 December 2013 have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the Dutch Civil Code.

### Consolidated statement of financial position

	At 31 December	
<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>
<b>Assets</b>		
Cash and cash equivalents	43,409	43,039
Due from other banks	45,302	40,787
Financial assets held for trading	4,279	5,289
Other financial assets at fair value through profit or loss	4,325	4,939
Derivative financial instruments	56,489	39,703
Loans to customers	462,447	455,909
Available-for-sale financial assets	39,770	46,552
Investments in associates and joint ventures	3,807	3,747
Intangible assets	2,059	1,991
Property and equipment	7,148	6,901
Investment properties	452	1,055
Current tax assets	211	170
Deferred tax assets	2,501	1,910
Other assets	8,560	8,030
Non-current assets held for sale and discontinued operations	327	9,073
<b>Total assets</b>	<b>681,086</b>	<b>669,095</b>

	At 31 December	
<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>
<b>Liabilities</b>		
Due to other banks	17,883	14,745
Due to customers	326,471	326,222

Selected financial information

At 31 December

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>
Debt securities in issue	189,060	195,361
Derivative financial instruments and other trade liabilities	67,560	50,171
Other debts	8,047	7,749
Other financial liabilities at fair value through profit or loss	19,744	19,069
Provisions	794	1,050
Current tax liabilities	255	266
Deferred tax liabilities	473	288
Subordinated debt	11,928	7,815
Liabilities held for sale and discontinued operations	—	7,825
<b>Total liabilities</b>	<b>642,215</b>	<b>630,561</b>

At 31 December

<i>(in millions of euros)</i>	<b>2014</b>	<b>2013</b> <i>(restated)</i>
<b>Equity</b>		
Equity of Rabobank Nederland and local Rabobanks	24,894	23,731
Equity instruments issued directly		
Rabobank Certificates	5,931	5,823
Capital Securities	6,349	7,029
	12,280	12,852
Equity instruments issued by subsidiaries		
Capital Securities	181	236
Trust Preferred Securities III to VI	1,043	1,269
	1,224	1,505
Other non-controlling interests	473	446
<b>Total equity</b>	<b>38,871</b>	<b>38,534</b>
<b>Total equity and liabilities</b>	<b>681,086</b>	<b>669,095</b>

**Consolidated statement of income**

<i>(in millions of euros)</i>	<b>Year ended</b> <b>31 December</b>	<b>2014</b>	<b>2013</b> <i>(restated)</i>
Interest income		18,638	19,707

Selected financial information

	Year ended 31 December	
<i>(in millions of euros)</i>	2014	2013 <i>(restated)</i>
Interest expense	9,520	10,612
<b>Interest</b>	<b>9,118</b>	<b>9,095</b>
Commission income	2,075	2,189
Commission expense	196	188
<b>Commission</b>	<b>1,879</b>	<b>2,001</b>
Income from associates	81	79
Net income from financial assets and liabilities at fair value through profit or loss	219	232
Gains/(losses) on available-for-sale financial assets	418	56
Other income	1,142	1,567
<b>Income</b>	<b>12,857</b>	<b>13,030</b>
Staff costs	5,086	5,322
Other administrative expenses	2,532	3,910
Depreciation	437	528
<b>Operating expenses</b>	<b>8,055</b>	<b>9,760</b>
Value adjustments	2,633	2,643
Bank tax and resolution levy	488	197
<b>Operating profit before taxation</b>	<b>1,681</b>	<b>430</b>
Taxation	(161)	88
Net profit from continuing operations	1,842	342
Net profit from discontinued operations	—	1,665
<b>Net profit</b>	<b>1,842</b>	<b>2,007</b>
Of which allocable to Rabobank Nederland and local Rabobanks	620	929
Of which allocable to holders of Rabobank Certificates	385	309
Of which allocable to Capital Securities	705	655
Of which allocable to Trust Preferred Securities III to VI	74	67
Of which allocable to non-controlling interests	58	47
<b>Net profit for the year</b>	<b>1,842</b>	<b>2,007</b>

**Financial ratios:**

	2014	2013
Capital ratio (BIS ratio)	21.3%	19.8%
Tier 1 ratio	16.0%	16.6%

*Selected financial information*

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	2014	2013
Common equity Tier 1 ratio	13.6%	13.5%
Equity capital ratio <sup>(1)</sup>	14.4%	16.1%
Bad debt costs (in basis points of average lending)	60	59

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Note:

- (1) The equity capital ratio is calculated by dividing retained earnings and Rabobank 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 Risk Management Committee Rabobank Group (“**RMC**”) in cooperation with the Risk Management department. The RMC is responsible for financial and non-financial risk management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Executive Board on all relevant issues regarding risk management.

The principal risks faced by Rabobank Group are credit risk, country risk, interest rate risk, liquidity risk, market risk, operational risk, legal risk and currency risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also “Risk Factors”.

### Risk Adjusted Return On Capital

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 2014, Rabobank realised a RAROC, which is the ratio between net profit and average economic capital, after tax of 7.8 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 2014, 49 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 51 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 Wholesale, Rural & Retail 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 Wholesale, Rural & Retail 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 Wholesale, Rural & Retail 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'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 Exposure At Default ("**EAD**"), Probability of Default ("**PD**") and Loss Given Default ("**LGD**"). 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. 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 2014, the EAD of the total Advanced IRB loan portfolio was €582 billion (2013: €574 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 1.05 per cent. (2013: 1.12 per cent.). This slight 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 2014, 2013 and 2012 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>	<i>2014</i>	<i>2013</i>	<i>2012</i>
Domestic retail banking	3.0	3.0	2.4
Wholesale banking and international retail banking	3.9	4.1	4.5
Leasing	2.3	2.9	3.6
Real Estate	18.8	15.1	8.2
<b>Rabobank Group</b>	<u>3.8</u>	<u>3.7</u>	<u>3.2</u>

**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. Rabobank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within Rabobank Group, particularly in case of larger and more complex loans granted to businesses whose continuity is at stake. If it is likely that the debtor will be unable to fulfil its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income.

The following table sets forth Rabobank Group's bad debt costs for the three years ended 31 December 2014, 2013 and 2012 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>	<i>2014</i>	<i>2013</i>	<i>2012</i>
Domestic retail	0.48	0.45	0.44
Wholesale banking and international retail banking	0.44	0.57	0.59
Leasing	0.43	0.59	0.53
Real estate	3.64	2.78	1.24
<b>Rabobank Group</b>	<u>0.60</u>	<u>0.59</u>	<u>0.52</u>

**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. 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 2014, the ultimate collective debtor risk for non-OECD countries was €26.9 billion and the net ultimate transfer risk before provisions for non-OECD countries was €18.2 billion, which corresponds to 2.7 per cent. of total assets (2013: 2.1 per cent.). It should be noted that reduced weighting of specific products is no longer included in this transfer risk figure.

### Risk in non-OECD countries

in millions of euros

31 December 2014

Regions	Europe	Africa	Latin America	Asia/Pacific	Total	In % of total assets
Ultimate country risk (excluding derivatives)	430	493	10,187	15,749	26,860	3.9%
- of which in local currency exposure	157	195	4,554	3,768	8,675	
<i>Net ultimate country risk before allowance</i>	273	298	5,633	11,981	18,185	2.7%
						In % of total allowance
<i>Total allowance for ultimate country risk</i>	3	—	146	84	233	2.5%

Since concerns about the euro increased, the outstanding country risk, including the sovereign risk for relevant countries, has been reported on a monthly basis. Compared to exposures to Dutch, German and French government bonds, exposures to government bonds issued by other European countries are relatively low.

### Interest rate risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group uses three indicators for managing, controlling and limiting short- and long-term interest rate risk: Basis Point Value, 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 10 basis points in 2013 and 2 basis points in 2014. 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 2013 and 31 December 2014, the Income at Risk ("IatR") and Equity at Risk ("EatR") for Rabobank Group were as follows:

<i>(in millions of euros, except percentages)</i>	2014	2013
	2 bp decline	10 bp decline
Income at Risk	(15)	(50)
Equity at Risk	0.4%	2.3%

Rabobank Group performs complementary scenario analyses to assess 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. 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 2014 given low lending demand. Retail savings declined due to prepayments on mortgages.

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 Rabobank no longer has access to the capital markets, i.e. no long- or short-term debt can be issued or refinanced. During 2014, 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 RMC-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 2014, the Value at Risk, based on a one-day holding period and 97.5 per cent. confidence level, fluctuated between €2.4 million (2013: €3.5 million) and €22.5 million (2013: €8.9 million), with an average of €3.8 million (2013: €6.4 million). The decrease of the average Value at Risk compared to 2013 follows from changes in positions and activities. The Value at Risk of €22.5 million was caused by a number of larger benchmark transactions and the issuance of tier 2 bonds in a short period of low liquidity and adverse market circumstances. The subsequent market position was brought to normal levels within days.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, other risk indicators are also used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Market Risk department, as well as the RMC-RG, in evaluating Rabobank Group's market positions.

Source: Rabobank Group Annual Report 2014

### **Operational risk**

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and systems or from external events. Possible legal and reputational risks are included while assessing and managing operational risks. Rabobank Group has a group-wide operational risk policy and it applies the Advanced Measurement Approach to its operational risk framework. The group-wide operational risk policy is based upon the principle that the primary responsibility for managing operational risks lies with Rabobank Group entities and should be part and parcel of the strategic and day-to-day decision-making process. The objective of operational risk management is to identify, measure, mitigate and monitor operational risk. The management of each Rabobank Group entity is responsible for developing policies and procedures to manage their specific operational risks in line with the Rabobank Group Operational Risk Management policy. Group Risk Management – Operational Risk Management (“**RM-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.

### **Legal risk**

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal proceedings, whether private litigation or regulatory enforcement actions are brought against it. The outcome of such proceedings is inherently uncertain and could result in financial loss. Defending or responding to such proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful.

### **Currency risk**

Currency risk is the risk of changes in income or equity as a result of currency exchange movements. In currency risk management, a distinction is made between positions in trading books and positions in banking books. In the trading books, currency risk is part of market risk and is controlled using Value at Risk and other limits, as are other market risks. This risk is monitored on a daily basis. The policy aims to prevent open positions whenever possible. The value at risk from currency risk

exposure in the trading books stood at €0.1 million at 31 December 2014 (2013: €0.6 million). The non-trading books are only exposed to the translation risk on capital invested in foreign activities and on issues of hybrid equity instruments not denominated in euros. For the monitoring and management of translation risk, Rabobank uses a policy designed to protect the CET1 ratio against the effects of exchange rate movements. Unhedged translation risks are measured using the Value at Risk method. Translation risks are measured using a confidence interval of 99.99% and an assumed horizon of one year. The Value at Risk for translation risk amounted to €471 million as at year-end.

## 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, 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's members are able to participate in virtually all of Rabobank's strategic decisions.

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

### Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. This includes responsibility for defining and achieving the targets of Rabobank Nederland, for determining its strategic policy and associated risk profile, for its financial results, and for the corporate social responsibility aspects that are relevant to the business. In addition, the Executive Board is in charge of Rabobank Group's compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. In performing its duties, the Executive Board acts in accordance with the interests of Rabobank Nederland and its affiliated entities, also taking into account the interests of relevant groups of stakeholders. The Executive Board is accountable 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. The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. The Supervisory Board then determines the remuneration of the members of the Executive Board and is accountable for decisions in this regard to the Committee on Confidential Matters of the 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 six committees: the Audit Committee, the Risk Committee, the Cooperative Issues Committee, the Appointments Committee, the Remuneration Committee and the Appeals Committee. These committees perform preparatory and advisory work for the Supervisory Board.

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

The members of the Supervisory Board are appointed by the General Meeting of Rabobank on the recommendation of the Supervisory Board. However, the Executive Board, Rabobank's Works Council and the General Meeting of Rabobank are each entitled to nominate individuals for consideration by the Supervisory Board. The independence and the expertise of the individual members, among other factors, are important considerations for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the members of the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the members of 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. 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 and hence have an important role in the working of Rabobank'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.

## **Central Delegates Assembly**

The local Rabobanks are geographically divided into 12 Regional Delegates Assemblies, each of which has its own board of directors. The Regional Delegates Assemblies jointly form the Central Delegates Assembly, which meets four times a year. The members of the Central Delegates Assembly have largely been appointed – via the Regional Delegates Assemblies – by clients/members as their representative at the local and collective level. Ahead of every Central Delegates Assembly, the Regional Delegates Assemblies discuss the matters placed on the agenda. In addition, the Regional Delegates Assemblies themselves can submit items for their own meeting. The Regional Delegates Assemblies 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, through which it determines the Group's strategic direction; and
- to adopt the budget for the activities of Rabobank for the local Rabobanks.

The Central Delegates Assembly advises either the local Rabobanks, the Executive Board or the General Meeting of Rabobank. It will issue advice in advance on specific matters where decision-making is reserved by the articles of association to the General Meeting of Rabobank.

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.

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**

The General Meeting (*algemene vergadering*) of Rabobank is the body through which all local Rabobanks, as members of Rabobank, can exercise direct control. The General Meeting of Rabobank deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations, and the appointment of members of the Supervisory Board. The Central Delegates Assembly issues advice prior to the General Meeting of Rabobank on all the items on the agenda. This procedure ensures that, prior to the General Meeting of Rabobank, these subjects have been discussed in detail on a local, regional and central level. Because of the special relationship between Rabobank and its members, the General Meeting of Rabobank enjoys almost full attendance.

### **Local Rabobanks**

The local Rabobanks have a cooperative structure. Their members are locally based clients.

Each local Rabobank has a Board of Directors comprised of banking professionals who collectively conduct its management. This Board of Directors is appointed by the local Supervisory Board after having obtained 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 of the local Rabobanks**

The members of the local Supervisory Board are nominated by the local Supervisory Board and appointed by the members council, subject to the approval of Rabobank Nederland. One of the main responsibilities of the local Supervisory Board is to conduct supervision across the full breadth of the local cooperative Rabobank.

This encompasses the policies 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.

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 of the local Rabobank.

### **Members council of the local Rabobanks**

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 local Board of Directors engages the members council to assess its policies 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 Rabobank'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 Rabobank 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 DLL, Orbay and Rabo Real Estate Group each have their own Works Councils with consultative powers on matters concerning these enterprises. In addition, each local Rabobank has its own Works Council to discuss matters concerning that particular local Rabobank.

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

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

## 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:

Name	Born	Year Appointed	Term Expires	Nationality
Wout (W.) Dekker, Chairman	1956	2010	2016	Dutch
Irene (I.P.) Asscher-Vonk	1944	2009	2017	Dutch
Henk (C.H.) van Dalen	1952	2013	2017	Dutch
Leo (L.N.) Degle	1948	2012	2016	German
Arian (A.A.J.M.) Kamp	1963	2014	2018	Dutch
Leo (S.L.J.) Graafsma	1949	2010	2014	Dutch
Erik (E.A.J.) van de Merwe	1950	2010	2016	Dutch
Ron. (R.) Teerlink	1961	2013	2017	Dutch

#### Mr. W. Dekker (Wout)

<i>Date of birth</i>	10 November 1956
<i>Former profession</i>	Professional supervisory director
<i>Main position</i>	Chairman of the Supervisory Board of Rabobank Nederland
<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 Macintosh Retail Group N.V.</li> <li>– Member of the Supervisory Board of Randstad N.V.</li> <li>– Chairman of the Supervisory Board of Prinses Maxima Centrum</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

#### Mrs. I.P. Asscher-Vonk (Irene)

<i>Date of birth</i>	5 September 1944
<i>Profession</i>	Professional supervisory director
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u>

- 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:

- Chair of the National Arbitration Board for Schools (*Landelijke Geschillencommissie Scholen*)
- Chair of The Dutch Museum Association (*Museumvereniging*)

*Date of first appointment to the Supervisory Board*

June 2009

*Current term of appointment to the Supervisory Board*

June 2013 - June 2017

**Mr. C.H. van Dalen (Henk)**

*Date of birth*

1 November 1952

*Profession*

- Professional director/supervisory director
- Advisor

*Main position*

Director of Avenue Business Consulting B.V.

*Nationality*

Dutch

*Auxiliary positions*

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Chairman of the Supervisory Board of Macintosh Retail Group N.V.
- Member of the Supervisory Board and Chairman of the Audit Committee of Brabantse Ontwikkelingsmaatschappij (BOM)
- Member of the Supervisory Board of AVEBE
- Member of the Board of Supervision of Erasmus MC

Other auxiliary positions:

- Member of the Advisory Board of the Netherlands Association for Investment Relations (NEVIR)
- Member of the Advisory Board of Zorg-Vuldig Healthcare Organisation
- Member of the Advisory Board of Nederland Cares
- Member of the Advisory Board of Duisenberg School of Finance
- Member of the Advisory Board of Nationaal Fonds 4 en 5 mei

*Date of first appointment to the Supervisory Board* September 2013

*Current term of appointment to the Supervisory Board* September 2013 - June 2017

**Mr. L.N. Degle (Leo)**

*Date of birth* 15 August 1948

*Profession* Professional director/supervisory director

*Main position* None

*Nationality* German

*Auxiliary positions* Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Member of the Supervisory Board of Berlage B.V.
- Member of the Supervisory Board of Ten Kate B.V.

*Date of first appointment to the Supervisory Board* June 2012

*Current term of appointment to the Supervisory Board* June 2012 - June 2016

**Mr. A. Kamp (Arian)**

*Date of birth* 12 June 1963

*Profession* Entrepreneur, owner of a cattle farm

*Main position* Cattle farmer and professional supervisory director

*Nationality* Dutch

*Auxiliary positions*

- Member of the Supervisory Board of Rabobank
- Vice-chairman Supervisory Board Koninklijke Coöperatie Agrifirm UA

*Date of first appointment to the Supervisory Board* December 2014

*Current term of appointment to the Supervisory Board* December 2014 – December 2018

**Mr. S.L.J. Graafsma RA (Leo)**

*Date of birth* 29 March 1949

*Former profession* Public accountant/partner of audit, tax and advisory firm KPMG

*Main position* None

*Nationality* Dutch

*Auxiliary positions*

- Member of the Supervisory Board of Rabobank Nederland
- Deputy member of the “Accountantskamer” (disciplinary court for accountants)

*Date of first appointment to the Supervisory Board* September 2010  
*Current term of appointment to the Supervisory Board* September 2010 - June 2014

**Mr. E.A.J. van de Merwe (Erik)**

*Date of birth* 30 December 1950  
*Profession* – Advisor  
– Professional director/supervisory director  
*Nationality* Dutch  
*Auxiliary positions* Supervisory Directorships:  
– Member of the Supervisory Board of Rabobank Nederland  
– Member of the Supervisory Board and member of the audit committee of Achmea B.V.  
– Chairman of the Supervisory Board and member of the audit committee of Staalbankiers N.V.  
– Chairman of the Supervisory Board and member of the audit committee of Achmea Bank Holding N.V.  
Other auxiliary positions:  
– Non-executive Chairman of GWK Travelex N.V.  
– Member of the Board of Governors of the postgraduate study ‘Corporate Compliance and Integrity’, VU University Amsterdam  
– Chairman Board of Supervision and Chairman of the audit committee of the Dutch Burns Foundation (*Nederlandse Brandwonden Stichting*)  
– Chairman Supervisory Council Euro Tissue Bank  
– Member Advisory Council Dutch Institute of Internal Auditors (IIA)  
– Member Arbitration committee Dutch Securities Institute (DSI)  
– Jurymember Henri Sijthoff Award

*Date of first appointment to the Supervisory Board* June 2010  
*Current term of appointment to the Supervisory Board* June 2012 - June 2016

**Mr. R. Teerlink (Ron)**

*Date of birth* 28 January 1961  
*Profession* Management Consultant  
*Main position* Independent Management Consultant  
*Nationality* Dutch

<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u>
	– Member of the Supervisory Board of Rabobank Nederland
<i>Date of first appointment to the Supervisory Board</i>	September 2013
<i>Current term of appointment to the Supervisory Board</i>	September 2013 – June 2017

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Executive Board of Rabobank Nederland:

### Executive Board of Rabobank Nederland

Name	Born	Year Appointed	Nationality
Wiebe (W.) Draijer, Chairman	1965	2014	Dutch
Bert (A.) Bruggink, CFRO	1963	2004	Dutch
Berry (B.J.) Marttin	1965	2009	Dutch and Brazilian
Ralf (R.J.) Dekker	1957	2013	Dutch
Rien (H.) Nagel	1963	2013	Dutch
Jan (J.L.) van Nieuwenhuizen	1961	2014	Dutch

#### **Wiebe (W.) Draijer**

Mr. Draijer was appointed as chairman of the Executive Board of Rabobank as of October 1, 2014. Mr. Draijer served as President of the Social and Economic Council of the Netherlands from 2012 to 2014. Prior to that, he held several positions within management-consulting firm McKinsey & Company and worked as a journalist. Mr. Draijer is a member of the supervisory boards of the Kröller-Müller Museum and Staatsbosheer, the national nature conservation organization. He furthermore acts as chairman of the supervisory board of the National Centre for Science and Technology. He is also the chairmen of the Avond van de Wetenschap & Maatschappij Foundation.

#### **Bert (A.) Bruggink**

Mr. Bruggink was appointed to Rabobank Nederland's Executive Board as of November 15, 2004. As CFRO Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Accounts Rabobank. Mr. Bruggink joined Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of the Control CBB (Central Banking Business), later Control RI (Rabobank International) (1994-1998) and Head of CRG (Control Rabobank Group) (1998-2004). Within the Rabobank Group, he fulfils several additional functions. He is chairman of the board of the Stichting Rabobank Pensioen Fonds, secretary of the supervisory board of Rabohypotheekbank, member of the supervisory board of Friesland Bank and a member of the supervisory board of Rabo Herverzekeringsmaatschappij N.V. Outside Rabobank he is a member of the supervisory board of Robeco, a member of the supervisory board of ROVA, member of the supervisory board of FMO N.V., a member of the supervisory board of Windesheim and member of staff in the Financial Management and

Business Economics Department of the Technical Business Administration Faculty of the University of Twente, as ordinary professor since early 1996.

***Ralf (R.J.) Dekker***

Mr. Dekker was appointed to the Executive Board of Rabobank Nederland as of November 1, 2013. As COO Mr. Dekker is responsible for Operations, Group ICT and IT Operations Rabobank International. He joined Rabofacet in 1993, where he (a.o.) acted as Director IT (1996-1998) and general manager (1998-2000). From 2000 until 1 November 2013 he acted as a member of the managing board of Rabobank International, Chief Operating Officer of Rabobank International and as a member of the Wholesale and Rural & Retail management teams of Rabobank International. Mr. Dekker currently acts as chairman of the board of commissioners of PT Bank Rabobank International Indonesia.

***Berry (B.J.) Marttin***

Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of July 1, 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. From 1990 until 2004 he fulfilled a number of international positions within Rabobank. After several positions in Brazil and Curacao he served as Head of International Corporates in Hong Kong, Head of Risk Management in Indonesia and as General Deputy Manager for Rabobank 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. Within Rabobank Group Mr. Marttin (a.o.) is a member of the supervisory boards of DLL and Rabohypotheekbank, a member of the boards of directors of Rabobank International Holding B.V., RI Investments Holding B.V., the Rabobank Foundation and a member of the board of Rabobank Australia Ltd and the board of Rabo NZ Holdings. Mr. Marttin is a member of the board of Unico Banking Group, vice chairman of the board of directors of the American Chambers of Commerce in the Netherlands, a member of the supervisory board of Wageningen University, chairman of the Advisory board of Amsterdam University College, member of the Dutch Trade Board, member of the advisory board of JINC and member of the supervisory board of the Dutch Sustainable Trade Initiative.

***Rien (H.) Nagel***

Mr. Nagel was appointed to Rabobank Nederland's Executive Board as of November 1, 2013, where he is responsible for the domain Retail Markets Netherlands. Since 1987, Mr. Nagel held several managing positions in local Rabobanks before becoming director Retail Banking of Rabobank Nederland in 2013. Mr. Nagel is a member of the board of directors of Utrecht Development, a member of the supervisory board of The Utrechts Landschap (Utrecht landscape) as well as a member of the advisory board of the University Centre for Sports Medicine. Furthermore he is a member of the Board of the Dutch Banking Association (Nederlandse Vereniging van Banken), member of the general and the daily Board of VNO-NCW and member of the Nationale Coöperatieve Raad voor land- en tuinbouw (NCR).

***Jan (J.L.) van Nieuwenhuizen***

Mr. Van Nieuwenhuizen was appointed to Rabobank Nederland's Executive Board as of March 24, 2014. In the Executive Board Mr. Van Nieuwenhuizen is responsible for the domain Markets Wholesale Netherlands and International including Wholesale Clients Netherlands, Wholesale Clients International, Global Financial Markets and Professional Products. From 1986 until 2002 Mr. Van Nieuwenhuizen fulfilled several international positions at Morgan Stanley, JP Morgan and NIBC. From 2009 Mr. Van Nieuwenhuizen was a member of the Management Team of Rabobank International Wholesale, responsible for Trade and Commodity Finance, Corporate Finance and Private Equity until his appointment to the Executive Board. Within Rabobank Group, he is a member of the Supervisory Boards of Rabo Vastgoedgroep and FGH Bank. Mr Van Nieuwenhuizen is also a director at IHC BV.



**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 is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank is the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 2007 and under which Rabobank is supervised by the AFM and the Dutch Ministry of Finance (*Ministerie van Financiën*). Further, as of 4 November 2014, the ECB assumed certain supervisory tasks from the Dutch Central Bank (De Nederlandsche Bank N.V.) and is now the competent authority responsible for supervising Rabobank Group's compliance with prudential requirements. Rabobank and the various Rabobank Group entities are also subject to certain 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 to the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

### Basel standards

#### *Introduction*

The Basel Committee develops international capital adequacy guidelines based on the relationship between a bank's capital and its risks (*inter alia* credit, market, operational, liquidity and counterparty risks).

In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines ("Basel I"). A revision of Basel I was published in June 2004 ("Basel II"). Basel II provides a range of options for determining the capital requirements for credit risk, market 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.

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.

#### *Credit Risk*

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 standardised risk weights set out in Basel II and external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the 'Probability of Default'. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the "Exposure at Default" and the "Loss Given Default". The Group has chosen the most sophisticated approach, the Advanced Internal Ratings Based Approach.

In December 2014, the Basel Committee issued two consultation papers entitled "Revisions to the Standardised Approach for credit risk" and "Capital floors: the design of a framework based on standardised approaches". The consultation papers set out the Basel Committee's proposals to reduce reliance on external credit ratings and internal models and aims to enhance the comparability of risk weighted assets and capital ratios. The biggest potential impact of the Basel Committee's proposals for the Rabobank Group is the proposal to integrate 'capital floors' into capital calculations. While most

(large) banks currently calculate capital with advanced risk-sensitive models, the Basel Committee proposes to use 'capital floors' as part of the 'standardised method'. The proposals are in the consultation and impact study phase. The Basel Committee intends to publish its final guidance, including its calibration and implementation arrangements, towards the end of 2015. The date for implementation is not yet known.

#### *Market Risk*

For market risk, banks can choose between a "Standardised approach" or an alternative methodology based on own internal risk management models. Rabobank has permission from its supervisor to calculate the general and specific exposures using its internal Value-at-Risk (VaR) models.

#### *Operational Risk*

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

#### *Basel III Reforms*

Under Basel III, capital and liquidity requirements have been increased. 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 introduced several amendments and refinements to Basel III, particularly in respect of 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 Basel III framework, which is implemented in the EU by means of the CRD IV Directive and CRR (see "European Union Standards – The CRD IV Directive and CRR" below) sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel III Reforms include increasing the minimum common equity (or equivalent) requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments (which, under CRD IV, are gradually phased in from 1 January 2014 until 1 January 2018)). The total tier 1 capital requirement has increased from 4 per cent. to 6 per cent. under CRD IV. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5 per cent. 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.

Capital requirements have been further supplemented by the introduction of a non-risk leverage ratio of 3 per cent. in order to limit an excessive build-up of leverage on a bank's balance sheet. During the period from 1 January 2013 to 1 January 2017, the Basel Committee monitors banks' leverage data on a semi-annual basis in order to assess whether the proposed design and calibration of a minimum leverage ratio of 3 per cent. is appropriate over a full credit cycle and for different types of business models. This assessment will include consideration of whether a wider definition of exposures and an off-setting adjustment in the calibration would better achieve the objectives of the leverage ratio. The Basel

Committee will also closely monitor accounting standards and practices to address any differences in national accounting frameworks that are material to the definition and calculation of the leverage ratio.

In addition, the Basel III Reforms have introduced two international minimum standards intended to promote resilience to potential liquidity disruptions over a 30 day horizon and limit over-reliance on short-term wholesale funding during times of buoyant market liquidity. The first one is referred to as the liquidity coverage ratio (the “**LCR**”) which is being gradually phased in from 1 January 2015. The LCR is a ‘test’ to promote the short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is referred to as a net stable funding ratio (the “**NSFR**”) which will be introduced on 1 January 2018. The NSFR is a ‘test’ to promote resilience over a longer period by requiring banks to hold a minimum amount of stable sources of funding relative to the liquidity profiles of the assets and the potential contingent liquidity needs arising from off-balance sheet commitments.

There can be no assurance that the Basel Committee will not further amend the package of reforms described above. Further, the European Commission, the ECB and the Dutch Central Bank or the Dutch legislator may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

The Basel III Reforms package is implemented in the EEA through the CRD IV Directive and the CRR (for further detail, see the risk factor entitled “Minimum regulatory capital and liquidity requirements” and the section entitled “European Union standards - The CRD IV Directive and CRR” below).

## European Union legislation

### ***The CRD IV Directive and CRR***

As of 1 January 2014, the EC Directive 2006/48 and EC Directive 2006/49 was repealed by the CRD IV Directive. The CRD IV Directive, together with the CRR, implements the Basel III Reforms in the EEA. Both texts were published in the Official Journal of the European Union on 27 June 2013 and became effective on 1 January 2014 (except for capital buffer provisions which shall apply as from 1 January 2016). The CRD IV Directive was implemented into Dutch law by amendments to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) pursuant to an amendment act (the “**CRD IV/CRR Implementation Act**”) which entered into force on 1 August 2014. The liquidity requirements for investment firms became applicable as of 1 January 2015.

The CRR has established a single set of harmonised prudential rules which apply directly to all banks in the EEA as of 1 January 2014, but with particular requirements being phased in over a period of time, to be fully applicable by various dates up to 2021. The harmonised prudential rules include own funds requirements, an obligation to maintain a liquidity coverage buffer (similar to the LCR, although the CRR obligation does not yet include a requirement to meet a ratio), a requirement to ensure that long-term obligations are adequately met under both normal and stressed conditions and the requirement to report on these obligations. The competent supervisory authorities will evaluate whether capital instruments meet the criteria set out in the CRR. The CRR also includes the obligation to report on a bank’s leverage ratio (this requirement is similar to the leverage ratio requirement set out in Basel III, however, the CRR does not yet include a requirement to meet a minimum ratio).

On 17 January 2014, the regulation on specific provisions set out in the CRD IV Directive and the CRR (*Regeling specifieke bepalingen CRD IV en CRR*) (“**Dutch CRD IV and CRR Regulation**”) as published by the Dutch Central Bank entered into force. The Dutch CRD IV and CRR Regulation contains specific provisions relating to the CRD IV Directive and the CRR, such as the required CET1 ratio of 4.5 per cent. and tier 1 ratio of 6 per cent. and the capital conservation measures set out in CRD IV (restriction on distributions if a bank does not meet the combined buffer requirement). On 29 April 2014, the Dutch Central Bank announced that, pursuant to the CRD IV/CRR Implementation Act, it

intends to impose an additional capital buffer requirement for Rabobank. This systematic risk buffer will be 3 per cent. of risk-weighted assets and will be phased in between 2016 and 2019. The Dutch Central Bank has the power to impose this buffer pursuant to the implementation of CRR/CRD IV by the CRR/CRD IV Implementation Act. The Dutch CRD IV and CRR Regulation will likely also be amended to this effect.

### ***Bank Recovery and Resolution Directive***

The BRRD entered into force in July 2014. The bail-in tool with respect to eligible liabilities and the other measures set out in the BRRD (outlined below) are expected to be implemented into Dutch law on or prior to 1 January 2016. The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers provided to resolution authorities in the BRRD include write down and conversion powers to ensure relevant capital instruments (not including senior debt instruments) fully absorb losses at the point of non-viability of the issuing institution, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors (including holders of senior debt instruments) of a failing institution and/or to convert unsecured debt claims to equity.

In addition, the BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks which satisfy the conditions for resolution, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

### ***Supervision***

On 16 December 2002, the Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council was adopted. 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 this 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 through the Dutch Financial Supervision Act. The directive was amended by Directive 2011/89/EU as regards the supplementary supervision of financial entities in a financial conglomerate. The bill implementing Directive 2011/89/EU through amendments to the Dutch Financial Supervision Act was published in the Dutch Bulletin of Acts and Decrees.

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.

However, as part the European Banking Union two regulations have been enacted, (i) a regulation for the creation of a single supervisory mechanism (“**SSM**”) on the basis of which specific tasks relating to the prudential supervision of the most significant banks in the Euro area are conferred to the ECB; and (ii) the amendment of the regulation setting up the EBA. Regulation 1024/2013 for the setting up of the SSM was published in the Official Journal of the European Union on 29 October 2013 and entered into force on 4 November 2013. On 4 November 2014, the ECB began its tasks relating to the prudential supervision of the most significant banks and most significant banking groups within the Euro area. Rabobank Group qualifies as a significant group under the SSM and SSM Framework regulation, and as such the ECB is now the competent authority responsible for supervising the Rabobank Group.

The SSM provides that the ECB carries out its tasks within a single supervisory mechanism comprised of the ECB and national competent authorities. The ECB and relevant competent authorities have formed Joint Supervisory Teams (“**JST**”) for the supervision of each significant bank or significant banking group within the Euro area. From 4 November 2014, the day-to-day supervision of the Rabobank Group is now carried out by a JST. The ECB and national competent authorities are subject to a duty of cooperation in good faith, and an obligation to exchange information. Where appropriate, and without prejudice to the responsibility and accountability of the ECB for the tasks conferred on it by the SSM, national competent authorities shall be responsible for assisting the ECB. In view of the assumption of these supervisory tasks, the ECB together with the national competent authorities carried out a comprehensive assessment, including a balance sheet assessment, as well as a related AQR and stress tests, of the banks in respect of which it took on responsibility for formal supervision. The ECB is now the competent authority responsible for supervising Rabobank Group’s compliance with prudential requirements, including (i) the own funds requirements, LCR, NSFR, the leverage ratio and the reporting and public disclosure of information on these matters, as set out in the CRR and (ii) the requirement to have in place robust governance arrangements, including fit and proper requirements for the persons responsible for the management of a bank, remuneration policies and practices and effective internal capital adequacy assessment processes, as set out in the Dutch Financial Supervision Act. The ECB is also the competent authority to assess notifications of the acquisition of qualifying holdings in banks and to grant a declaration of no objection for such holdings.

To complement the European Banking Union and the SSM, on 10 July 2013 the European Commission proposed the SRM Regulation to establish the SRM (each as defined in the risk factor entitled “*Bank recovery and resolution regimes*”). The SRM Regulation was adopted in September 2014. The SRM proposes to establish a single resolution board (consisting of representatives from the ECB, the European Commission and the relevant national authorities) that will manage the failing of any bank in the Euro area and in other EU member states participating in the European Banking Union. On the basis of the SRM, the single resolution board is granted the same resolution tools as those set out in the Bank Recovery and Resolution Directive, including a bail-in tool. The SRM will apply directly to banks covered by the SSM. Most parts of the SRM will apply as of 1 January 2016. However, some parts applied as of 1 January 2015.

## Dutch regulation

### **Scope of the Dutch Financial Supervision Act**

A bank is any enterprise whose business it is to take deposits or other repayable funds from the public, and to grant credits for its own account. Rabobank and various 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'. The ECB is formally the competent authority that supervises the majority of the Group's activities. The day-to-day supervision of the Rabobank Group is carried out by the JST for Rabobank Group. 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.

### **Licensing**

Under the Dutch Financial Supervision Act, a bank established in the Netherlands is required to obtain a licence before engaging in any banking activities. Now that the ECB has assumed its supervisory tasks under the SSM, the ECB is the formal supervisory authority to grant and revoke a banking licence for banks in the Euro area including The Netherlands. The Dutch Central Bank shall prepare a draft decision if in its view a licence should be granted and the ECB will take the formal decision. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a supervisory board; and (iii) the bank must have a minimum level of own funds (*eigen vermogen*) of €5,000,000. In addition, the Dutch Central Bank shall pursuant to the Dutch Financial Supervision Act 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 (fit and proper requirement), (ii) the policy of the bank is not (co-)determined by persons whose integrity is beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (*gezonde en prudente bedrijfsvoering*). The Dutch Central bank is still competent to make the decision to refuse to grant a licence on its own. In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining its licence.

### **Reporting and investigation**

A significant bank or significant banking group is required to file its annual financial statements with the ECB in a form approved by the ECB, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the ECB. The ECB has the option to demand additional reports.

Rabobank 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 ECB. Rabobank's independent auditor audits these reports annually.

Under the Dutch Financial Supervision Act, Rabobank 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.

### **Solvency**

The CRR regulations on solvency supervision entail - in broad terms minimum standards on bank capital adequacy and capital buffers. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related

debtors. Over time, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II and Basel III as described under “Basel standards” above and as laid down in EU directives described above under “European Union standards”. The regulations of the Dutch Central Bank on solvency supervision have been repealed by the Dutch CRD IV and CRR Regulation.

### **Liquidity**

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against ‘net’ liabilities of banks (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limit.

### **Structure**

The Dutch Financial Supervision Act provides that a bank must obtain a declaration of no-objection before, among other things, (i) 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 EEA, if the balance sheet total of that bank, investment firm or insurer at the time of the acquisition or increase amounts to more than 1 per cent. of the bank’s consolidated balance sheet total, (ii) acquiring or increasing a 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 EEA or in a state which is not part of the EEA, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iii) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank’s consolidated balance sheet total, (iv) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank’s consolidated balance sheet total or (v) proceeding with a financial or corporate reorganisation. Under the SSM, the ECB is the supervisor formally taking the decision to grant a declaration of no-objection concerning a qualified holding. The request for a declaration of no-objection should be sent to the Dutch Central Bank. The Dutch Central Bank makes a draft decision and the ECB takes the formal decision. As of 1 January 2014, the definition of “qualified holding” as set out in the CRR applies. “Qualified holding” in the CRR is defined to mean a direct or indirect holding in an undertaking which represents 10 per cent. or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

In addition, any person is permitted to hold, acquire or increase a 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 ECB.

### **Governance and administrative organisation**

The ECB supervises the governance of significant banks and significant banking groups within the Netherlands. This includes the administrative organisation of banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud.

### **Intervention**

On 13 June 2012, the Intervention Act entered into force and amended the Dutch Financial Supervision Act and the Dutch Bankruptcy Act (*Faillissementswet*). Pursuant to the Intervention Act, the Dutch Central Bank has the power to take various measures in respect of banks and insurance



companies if it perceives a dangerous development regarding the entity's own funds, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. The possible measures available to the Dutch Central Bank under the Intervention Act include filing a request for a bank or insurance company to be declared bankrupt, or preparing and effecting the transfer of deposits, other assets and liabilities and/or shares of the entity to a third party with a view to the timely and efficient liquidation of the entity. The Dutch Central Bank can prepare a 'transfer plan' for this purpose. If the Dutch Central Bank decides to notify the relevant entity of its preparation of such a plan, then following such notification the entity must provide various information and access to the Dutch Central Bank, the entity and its corporate bodies must cooperate in the preparation of the transfer plan and the Dutch Central Bank can appoint a special receiver. The intervention will only be made public after approval of the transfer plan by the Amsterdam district court.

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

The exercise of acceleration, early termination and other rights (including the right to request collateral and the right to set-off or net), could impair the effectiveness of the supervisory measures introduced by the Intervention Act. Therefore, the Intervention Act provides that such rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Intervention Act, cannot be exercised without the prior approval of the Dutch Central Bank. Exceptions are made in respect of rights resulting from the final directive and financial collateral arrangements. Furthermore, an obligation to give notice of an event or to provide information regarding an event is not enforceable. These provisions apply regardless of the governing law and extend to group companies of banks and insurance companies.

Once the SRM takes effect, the single resolution board will have additional intervention powers including the power to operate the bail-in tool as set out in the SRM and the Bank Recovery and Resolution Directive (see "- Bank Recovery and Resolution Directive"). A legislative proposal for the implementation of the SRM/BRRD in The Netherlands was made public in November 2014 for consultation. It is currently expected that this legislation will enter into force on or prior to 1 January 2016.

### **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 if it finds *prima facie* evidence of a dangerous development regarding the bank's own funds, solvency or liquidity and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court. Together with the request to declare the "emergency regulation", the Dutch Central Bank can request the Dutch court to

approve a “transfer plan” for a bank. This plan may include the transfer of deposits, assets/liabilities or shares of the bank.

## **U.S. regulation**

### ***Regulation and Supervision in the U.S.***

The Group’s operations are subject to federal and state banking and securities regulation and supervision in the U.S. The Group engages in U.S. banking activities through Rabobank, New York Branch (the “**New York Branch**”). It controls a U.S. banking subsidiary, Rabobank, N.A., and a U.S. broker-dealer, Rabo Securities USA, Inc., as well as other U.S. non-bank subsidiaries.

Utrecht-America Holdings, Inc. is a bank holding company that is a financial holding company within the meaning of the U.S. Bank Holding Company Act of 1956. As such, it is subject to the regulation and supervision of the Federal Reserve. The New York Branch is licensed and supervised by the New York State Department of Financial Services, and it is also supervised by the Federal Reserve. Rabobank, N.A. is a national bank subject to regulation, supervision and examination by the OCC.

Under U.S. law, the Group’s activities and those of its subsidiaries in the U.S. are generally limited to the business of banking, and managing or controlling banks and certain other activities that are closely related to banking. So long as Rabobank is a financial holding company under U.S. law, it may also engage in non-banking activities in the U.S. that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases. As a non-U.S. bank, Rabobank is generally authorised under U.S. law and regulations to acquire a non-U.S. company engaged in non-financial activities as long as the company’s U.S. operations do not exceed certain thresholds and certain other conditions are met. Rabobank is required to obtain the prior approval of the Federal Reserve before directly or indirectly acquiring the ownership or control of more than 5 per cent. of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies.

State-licensed branches and agencies of non-U.S. banks (such as the New York Branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. Likewise, the U.S. federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire non-U.S. bank.

The Federal Reserve may terminate the activities of any U.S. office of a non-U.S. bank if, among other things, it determines that the non-U.S. bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such non-U.S. bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the U.S. or, for a non-U.S. bank that presents a risk to the stability of the U.S. financial system, the home country of the non-U.S. bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. In addition, the Superintendent of Financial Services of the State of New York (the “**Superintendent**”) may revoke any licence for a branch of a non-U.S. bank issued under the New York Banking Law if, among other things, the Superintendent finds that the licensed bank has violated any provision of any law, rule or regulation of the State of New York.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

### **New York Branch**

The New York Branch is licensed by the Superintendent to conduct a commercial banking business. Under New York Banking Law, the New York Branch is subject to the asset pledge requirements and is required to maintain eligible high-quality assets with banks in the State of New York. The Superintendent may also establish asset maintenance requirements for branches of non-U.S. banks. Currently, no such requirement has been imposed upon the New York Branch.

The New York Banking Law authorises the Superintendent to take possession of the business and property of a New York branch of a non-U.S. bank under certain circumstances, including violations of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the non-U.S. bank at its domicile or elsewhere. In liquidating or dealing with a branch's business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent for payment out of the business and property of the non-U.S. bank in the State of New York (which includes but is not limited to assets, or other property of the New York branch, wherever situated and any assets of the non-U.S. bank located in the State of New York, regardless of whether such assets are assets of the New York branch), without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the non U.S. bank. After such claims are paid, the Superintendent will turn over the remaining assets, if any, to the non-U.S. bank or its duly appointed liquidator or receiver.

### **The Dodd-Frank Act**

The Dodd-Frank Act provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial markets. While many of the rules implementing Dodd-Frank have been finalised or proposed significant uncertainty remains about the implementation, timing and impact of many of those rules.

Among other things, the Dodd-Frank Act requires that the lending and affiliate transaction limits applicable to Rabobank N.A. and the New York Branch take into account credit exposures arising from derivative transactions, securities borrowing and lending transactions, and repurchase and reverse repurchase agreements with counterparties.

Additionally, the Dodd-Frank Act provides U.S. regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk, which includes any non-U.S. banking organisation, such as the Rabobank Group, with a branch or agency in the U.S. or a U.S. bank subsidiary and U.S.\$50 billion or more in total consolidated assets. In February 2014, the Federal Reserve issued a final rule implementing these heightened standards. Under the final rule, the New York Branch would be subject to liquidity, risk management requirements, and in certain circumstances, asset maintenance requirements.

Pursuant to the Volcker Rule, the Dodd-Frank Act limits the ability of banking entities and their affiliates to engage as principal in certain types of proprietary trading or to sponsor or invest in hedge, private equity or other similar funds or enter into certain covered transactions with certain covered funds, subject to certain exceptions and exemptions. However, certain non-U.S. banking organisations, such as certain non-U.S. banking entities within the Rabobank Group, may be exempt from such limitation with respect to activities that are solely outside of the U.S., subject to certain conditions.

On 10 December 2013, the five U.S. federal financial regulatory agencies released the final version of the regulations implementing the statute. The transitional conformance period for the Volcker Rule generally ends on 21 July 2015, although the Federal Reserve has effectively granted a two-year extension for certain legacy funds. Financial institutions subject to the rule, such as the Rabobank Group, must bring their activities and investments into compliance and implement a specific compliance program. During the conformance period, Rabobank will continue to analyse the final rule, assess how it

will affect its businesses and devise and implement an appropriate compliance strategy. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations.

In addition, Title VII of the Dodd-Frank Act provides for an extensive framework for the regulation of derivatives, including mandatory clearing, exchange trading and transaction reporting of certain derivatives, as well as rules regarding the registration of, and capital, margin and business conduct standards for, swap dealers and major swap participants. U.S. regulators have issued numerous regulations governing the derivatives markets as contemplated by the Dodd-Frank Act. For example, under the Dodd-Frank Act, with certain exceptions, entities that are swap dealers or major swap participants will be required to register with the CFTC, and will become subject to capital, margin, business conduct, recordkeeping and other requirements. Also, under the so-called swap “push-out” provisions of the Dodd-Frank Act, the derivatives activities of FDIC-insured banks and uninsured U.S. branches of non-U.S. banks, such as Rabobank, N.A. and the New York Branch, respectively, could be restricted if such entities are registered swap dealers, major swap participants, security-based swap dealers or major security-based swap participants.

Additionally, the Dodd-Frank Act requires systemically important non-bank financial companies and large, interconnected financial institutions, including any non-U.S. bank with U.S.\$50 billion or more in total consolidated assets that has a branch or agency in the U.S. (such as the Rabobank Group) to prepare and periodically submit to the Federal Reserve, the FDIC and the FSOC a plan for such company’s rapid and orderly resolution in the event of material financial distress or failure. The resolution plan requirements have been implemented through regulations issued by the Federal Reserve and the FDIC that establish rules and requirements regarding the submission and content of a resolution plan and procedures for review by the Federal Reserve and the FDIC. The Federal Reserve and the FDIC must determine that a company’s resolution plan is credible and would facilitate an orderly resolution of the company. A company that fails to submit a credible resolution plan may be subject to a range of measures imposed by the Federal Reserve and the FDIC, including more stringent capital, leverage or liquidity requirements; restrictions on growth, activities or operations; and requirements to divest assets or operations, as directed by the Federal Reserve and the FDIC.

Implementation of the Dodd-Frank Act and related final regulations could result in significant costs and potential limitations on or reorganisation of the Rabobank Group’s businesses and results of operations.

**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 2014 and at 31 December 2013:

	<b>At 31 December</b>	
<i>(in millions of euros)</i>	2014	2013
<b>Capitalisation of Rabobank Group</b>		
Equity of Rabobank Nederland and local Rabobanks	24,894	23,731
<i>Equity instruments issued directly</i>		
Rabobank Certificates	5,931	5,823
Capital Securities	6,349	7,029
	12,280	12,852
<i>Equity instruments issued by subsidiaries</i>		
Capital Securities	181	236
Trust Preferred Securities III to VI	1,043	1,269
	1,224	1,505
Other non-controlling interests	473	446
<b>Total equity</b>	<b>38,871</b>	<b>38,534</b>
Subordinated debt	11,928	7,815
Long-term debt securities in issue	133,995	140,946
Short-term debt securities in issue	55,065	54,415
<b>Total capitalisation</b>	<b>239,859</b>	<b>241,710</b>
<b>Breakdown of reserves and retained earnings</b>		
Revaluation reserve – available-for-sale financial assets	643	282
Revaluation reserve – pensions	(196)	(3,251)
Other reserves	(81)	(497)
Retained earnings	24,528	27,197
<b>Total reserves and retained earnings</b>	<b>24,894</b>	<b>23,731</b>

In January 2015 Rabobank issued EUR 1.5 billion Additional Tier 1 securities. There has been no other material change in the capitalisation of Rabobank Group since 31 December 2014.

## **RABOBANK AUSTRALIA BRANCH**

ABN 70 003 917 655

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

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

Rabobank 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 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's international strategy, which is primarily targeted at establishing Rabobank 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, its financial results are incorporated in the financial statements of Rabobank.

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

## TAXATION

*The following summary describes the principal Australian, Austrian, Belgian, Danish, Dutch, European Union, Finnish, French, German, Irish, Italian, Luxembourg, Norwegian, Portuguese, Spanish, Swedish, Taiwanese, United Kingdom and U.S. tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Australian, Austrian, Belgian, Danish, Dutch, European Union, Finnish, French, German, Irish, Italian, Luxembourg, Norwegian, Portuguese, Spanish, Swedish, Taiwanese, United Kingdom and U.S. tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser in respect of the tax consequences of an investment in the Notes. The discussion of certain Australian, Austrian, Belgian, Danish, Dutch, European Union, Finnish, French, German, Irish, Italian, Luxembourg, Norwegian, Portuguese, Spanish, Swedish, Taiwanese, United Kingdom and U.S. taxes set forth below is included for general information purposes only.*

*This summary is based on the Australian, Austrian, Belgian, Danish, Dutch, European Union, Finnish, French, German, Irish, Italian, Luxembourg, Norwegian, Portuguese, Spanish, Swedish, Taiwanese, United Kingdom and U.S. tax legislation, published case law, treaties, rules, regulations and similar documentation in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.*

### **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* (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 (as the meaning of that term is extended by section 128A(1AB) of the Tax Act) 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 the “public offer” test is satisfied (see details below) and 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.

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 also 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 an 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 an 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 an 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*).

The exemption in section 128F of the Tax Act also 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*).

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 47 per cent. (which is currently scheduled to reduce to 45 per cent. on 1 July 2017), under the *Income Tax (Bearer Debentures) Act 1971*, 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 Taxation Office (“ATO”). The ATO 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 interest withholding tax 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* (“TA Act”) 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 specific requirements of section 128F of the Tax Act referred to above, payments of principal and interest (as the meaning of that term is extended by section 128A(1AB) of the Tax Act) 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, at the time of issue and each subsequent payment date, 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 at the relevant times 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 (“CGT”) on gains realised during that year on the 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 by a non-resident, at the time of death;
  - (d) no *ad valorem* stamp duty nor issue registration or similar taxes should be payable in Australia on the issue or transfer of the Notes 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;
  - (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 (the Taxation of Financial Arrangements or “TOFA” provisions) of the *Income Tax Assessment Act 1997* (the “1997 Act”) applies to the Noteholder.
    - (i) If Division 230 applies, the Division statutorily 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 be required to include any interest derived in respect of the Notes in their assessable income under ordinary income tax principles.

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 Noteholders who are either Australian residents not acting through a permanent establishment outside Australia, or non-residents holding Notes in connection with a permanent establishment in Australia, may be subject to withholding tax under Part VA of the Tax Act and section 12-140 of Schedule 1 of the TA Act where the recipient of the interest does not quote their tax file number (“TFN”) or, in certain circumstances, their Australian Business Number (“ABN”), 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. (however this is increasing to 47 per cent. on 1 July 2014);
- (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 TA Act;
- (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 is beyond the scope of this summary.

## **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.*

### **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 (*Körperschaftsteuer*) 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 Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988, Federal Law Gazette 1988/400* – “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 (when 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 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*

Resident corporate investors deriving business income from the Notes may avoid the deduction of CPT by filing a statement of exemption with the securities account keeping 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*). Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 per cent. A special tax regime applies for private foundations (*Privatstiftungen*).

#### **Non-resident individuals of an EU member state**

Non-resident investors who are resident individuals of an EU Member State have to consider EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") regarding particular withholding tax rules. In Austria, provisions for implementing the EU Savings Directive have been enacted by the *EU* (Withholding Tax Act (*EU-Quellensteuergesetz*, Federal Law Gazette I 2004/33 – "**EU-QuStG**"). Section 1 of the EU-QuStG provides that interest payments paid out 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 non-resident individuals and non-resident corporate investors**

The ITA has been amended by the Federal Tax Amendment Act 2014 (*Abgabenänderungsgesetz* 2014, Federal Law Gazette I 2014/13) and the Second Federal Tax Amendment Act 2014 (2. *Abgabenänderungs-gesetz* 2014, Federal Law Gazette I 2014/105). Amongst other amendments (effective as of 1 January 2015) interest income within the meaning of the EU Savings Directive and the EU-QuStG will fall within the limited income tax liability applicable to non-resident individuals (within the meaning of the ITA), provided that CPT has to be deducted. This is the case if either the custodian bank (*depotführende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in

Austria. Accordingly, from 1 January 2015 onwards, income of non-resident individuals derived from debt instruments such as the Notes (investment income, realised capital gains) will be subject to Austrian income tax at a rate of 25 per cent., unless one of the exemptions contained in amended section 98 para 1 no. 5 of the ITA applies, for example, where interest income is paid out or credited to an individual resident in an EU Member State in which case the EU-QuStG applies (see also above under "EU Savings Directive"). Another exemption applies where the debtor's domicile, legal seat and/or place of effective management is not located in Austria.

For non-resident corporate entities deriving business income from the Notes, an exemption applies as pursuant to section 98 para 1 no. 5 of the ITA as interest payments which are not received by natural persons are exempt from the limited income tax liability. In addition, non-resident corporate investors deriving business income from the Notes may avoid the deduction of CPT by filing a declaration of exemption (Befreiungserklärung) with the Austrian paying office, as section 94 no. 5 of the ITA has not been changed or amended. Applicable double taxation treaties may provide for a reduction of, or relief from CPT.

In cases where non-residents receive income from Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors.

## **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. "Fixed income securities" include Notes where 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. Further, on 25 January 2013, the Belgian tax authorities issued a circular letter on the tax treatment of income from structured products the return of which is linked to an underlying value (share basket, index, etc.) and the terms and conditions of which include one or more of the following features: (a) a (conditional) minimum return; (b) capital protection; (c) a periodic coupon payment; and (d) determination of income at an intermediary stage using a "ratchet" system. The circular letter takes the position that such structured products qualify as "fixed income securities" and sets out a (somewhat unclear) formula to calculate the pro rata of accrued interest. It is debatable whether the general statements made in the circular letter are in line with Belgian tax legislation.

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 interests. Nevertheless, Belgian resident individuals may elect to declare interest on the Notes in their personal income tax return. Also, if no Belgian withholding tax has been withheld (e.g. because the interest is paid outside Belgium without the intervention of a Belgian paying agent or because it concerns the pro rata of accrued interest in the case of a sale of the Notes), the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 25 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, if this results in lower taxation) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

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. (but reduced rates apply to low income companies subject to certain conditions). If non Belgian withholding tax has been levied on the interest, a foreign tax credit may be applied against the Belgian tax due. The foreign tax credit is determined by reference to a fraction where the numerator is equal to the rate of the foreign tax with a maximum of 15 and the denominator is equal to 100 minus the amount of the numerator (with a number of additional limitations). 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 no Belgian withholding tax has been withheld (e.g. because the interest is paid outside Belgium without the intervention of a Belgian paying agent or because it concerns the pro rata of accrued interest in the case of a sale of the Notes), 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 and tax on repurchase transactions***

A tax on stock exchange transactions (“*taks op de beursverrichtingen*”/“*taxe sur les opérations de bourse*”) will be levied on the purchase and sale of the Notes on a secondary market through a professional intermediary in Belgium. The tax is generally due at a rate 0.09 per cent. for transactions in debt instruments and at a rate of 0.27 per cent. for transactions in other securities which are not capitalisation shares, with a maximum amount per transaction and per party of €650 for debt instruments and €800 for other securities which are not capitalisation shares. The tax is due separately from each of the seller/transferor and the purchaser/transferee and is collected by the professional intermediary.

A tax on repurchase transactions (“*taks op de reporten*”/“*taxe sur les reports*”) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party, with a maximum amount of €650 per transaction and per party.

However, the taxes referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Articles 126.1 2° and 139 of the Code of various duties and taxes (“Code des droits et taxes divers”/“Wetboek diverse rechten en taksen”).

### **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.

## **Denmark**

*The following is a summary based on the laws and practices currently in force in Denmark in regard to the tax position of investors who are the absolute beneficial owners of the Notes. The summary 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 purchase, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.*

### **Taxation of Noteholders tax resident in Denmark**

Private individuals, including individuals who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving gains or interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such gains and interest.

It must however be observed, that if tax has been paid in another country it is possible to be given credit for the tax already paid or be exempted from the tax that is payable in Denmark. This can be done by use of internal Danish tax rules or through the use of the double taxation conventions made with other countries. In regard hereto it must be observed that specific rules apply in regards to interest payments covered by double taxation conventions.

The taxation regime depends on whether the taxpayer is an individual or a corporate entity.

#### *Individuals*

Capital gains and losses are taxable to individuals and in accordance with the Danish Capital and Exchange Gains Act (*Kursgevinstloven*) of 18 September 2013.

Gains and losses on Notes issued to individuals are generally included in the taxable income in accordance with a realisation principle, i.e. 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.

#### *Corporate entities*

Capital gains and losses are taxable to corporate entities in accordance with the Danish Capital and Exchange Act (*Kursgevinstloven*) of 18 September 2013. Corporate entities are generally taxed on the annual increase or decrease of the market value of the Notes in accordance with a mark-to-market principle, i.e. on an unrealised basis. However, losses cannot be deducted in the taxable income if the Noteholder and the Issuer are members of the same group of companies or are eligible to be part of the same fiscal unity.

It must be noted that specific rules exist for mortgage-credit institutes.

#### *Pension funds, etc.*

Pension funds and other entities governed by the Danish Act on Taxation of Pension Investments Returns (*Pensionsafkastbeskatningsloven*) of 10 October 2014<sup>1</sup> (as amended) are, irrespective of realisation, taxed on the annual increase or decrease of the market value of the Notes according to a mark-to-market principle (*lagerprincippet*) as specifically laid down in the act.

#### **European Union Savings Directive**

The Savings Directive requires an EU Member State to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established in that other EU Member State, except that Austria instead imposes a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Savings Directive with effect as from 1 January 2015.

The Council of the European Union has adopted the Amending Directive, which will, when implemented, inter alia, amend and broaden (i) the scope of the information reporting or withholding requirements to include payments to (or secured for) an entity or legal arrangement having its place of effective management in an EU Member State and not being subject to effective taxation, (ii) the circumstances in which an economic operator, entity or legal arrangement may be required to report information or withhold tax, (iii) the types of payment to which the Savings Directive applies and (iv) the circumstances in which an individual resident in an EU Member State is to be treated as the beneficial owner of such payments. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

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

Investors should consult their professional advisers with regard to their particular circumstances.

#### ***The Proposed Financial Transactions Tax (“FTT”)***

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt. In May 2014,

however, a joint statement by ministers of the Participating Member States (excluding Slovenia) proposed a “progressive implementation” of the FTT, with the initial focus applying the tax to transactions in shares and some derivatives. In January 2015, a joint statement by ministers of the Participating Member States (excluding Greece) renewed their commitment to reach an agreement on the proposal of a directive implementing an enhanced cooperation in the area of a FTT and reiterated their willingness to create the conditions necessary to implement the FTT on 1st January 2016.

Under the Commission’s proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by Participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **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 (including redemption proceeds) that are treated as interest or as compensation comparable to interest, 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).

## **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 125 A of the French tax code (*Code général des impôts*) 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 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.

## Germany

*The following is an overview addressing only the German compulsory withholding tax treatment of income arising from the Notes. This overview is based on the laws and regulations in full force and effect in Germany as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. The summary does not deal with any other German tax implications of acquiring, holding or disposing of 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.*

### *Residents of 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.

However, 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 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. The same withholding

applies to any gains from the disposal, redemption, repayment or assignment of Notes except for any gains derived by German resident corporate holders and upon application by individual holders holding the Notes as business assets. If the Notes were disposed, redeemed, repaid or assigned after being transferred to another securities deposit account, the 25 per cent. withholding tax (plus a 5.5 per cent. solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the disposal, redemption, repayment or assignment, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the new current German Disbursing Agent.

The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for an individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

#### *Non-residents of Germany*

In general, non-residents of Germany are not subject to German withholding tax, subject to meeting certain further requirements. However, withholding tax may nevertheless be applicable in certain exceptional cases, e.g. if the Notes or Coupons are presented for payment or credit at the offices of a German Disbursing Agent (over-the-counter transaction).

## **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 Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes.

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) 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 any interest, dividends or other annual payments 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.

**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 Issuer will not update this summary to reflect changes in laws and if such a change occurs, the information in this summary could become invalid.*

*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.*

*In particular, this summary does not address the possible application of Italian anti-tax avoidance rules or general anti-abuse principles possibly associated with investment in the Notes.*

*This summary does not describe the tax consequences for a holder of the Notes where physical delivery applies and, in particular, in respect of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes and/or any tax consequences after the moment of exercise, settlement or redemption.*

*With regard to certain innovative or structured financial instruments there is currently neither case law nor commentary from the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and courts or Italian intermediaries may adopt a view different from that outlined below.*

*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 No. 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 paragraph “*Capital gains*”, below); (b) a non-commercial partnership; (c) a non-commercial private or public institution and trust; 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 26 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 certain circumstances, non-commercial pension entities incorporated under Law No. 509 of 30 June 1994 (“**Law No. 509**”) or Law No. 103 of 10 February 1996 (“**Law No. 103**”) are entitled to a tax credit equal to the positive difference between withholding taxes and substitute taxes levied at a rate of 26 per cent. on financial proceeds deriving from their investments (including the Notes), as certified by the relevant withholding agent, and a notional 20 per cent. taxation rate, provided that such a tax credit is disclosed by such entities in the annual corporation tax return. Further details in this respect will be provided by a decree of the Italian Ministry of Economy still to be issued.

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 Fund**”), 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 26 per cent. on distributions made by Italian Real Estate Investment Fund and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund owning more than 5 per cent. of the fund’s units.



Pursuant to Article 9 of Legislative Decree No. 44 of 4 March 2014, the same regime applicable to Real Estate Investment Funds also applies to “*società di investimento a capitale fisso*” ruled by Legislative Decree No. 58 of 24 February 1998 exclusively or primarily investing in real estate in the measures provided under the applicable implementing regulations (“**Real Estate SICAF**”).

Where the Noteholder is an Italian open-ended or closed-ended investment fund, or a Luxembourg investment fund regulated by Article 11-bis of Law Decree No. 512 of 30 September 1983 (each, an “**Investment Fund**”), a “*società di investimento a capitale variabile*” (“**SICAV**”) or a “*società di investimento a capitale fisso*” not exclusively or primarily investing in real estate (“**SICAF**”), Interest is subject neither to substitute tax nor to any other income tax in the hands of the Investment Fund, SICAV or SICAF. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by the Investment Fund, SICAV or SICAF.

Where the Noteholder is an Italian pension fund (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, a “**Pension Fund**”) and the Notes are deposited with an authorised intermediary, Interest is not subject to substitute tax, but must be included in the Pension Fund’s annual net accrued result that is subject to a 20 per cent. substitute tax. A 9 per cent. tax credit may be granted to the Pension Fund in certain circumstances; further details in this respect will be provided by a decree of the Italian Ministry of Economy still to be issued.

Pursuant to Decree No. 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 are subject to the tax regime described under paragraph “Capital gains” below.

#### *Non-Italian resident Noteholders*

Interest payments relating to Notes received by non-Italian resident beneficial owners, provided that certain conditions and formalities are met, are generally 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 are subject to the tax regime described under paragraph “Capital gains” below.

#### *Notes qualified as “atypical” securities*

##### *Italian resident Noteholders*

Interest payments relating to debt instruments implying a “use of capital” that (a) are not deemed to fall within the category of bonds (“*obbligazioni*”), debentures similar to bonds (“*titoli similari alle obbligazioni*”), shares (“*azioni*”) or securities similar to shares (“*titoli similari alle azioni*”) pursuant to Presidential Decree No. 917 of 22 December 1986 (“**TUIR**”) nor units of foreign undertakings for collective investment and (b) generate income from the investment of capital (“*reddito di capitale*”) pursuant Article 44 of TUIR would be considered as “atypical” securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 converted by Law No. 649 of 25 November 1983, may be subject

to a withholding tax, levied at the rate of 26 per cent. if made to the following Italian resident Noteholders: (i) individuals, (ii) non-commercial partnerships, (iii) Real Estate Investment Funds and Real Estate SICAFs, (iv) Investment Funds, SICAVs and SICAFs, (v) Pension Funds and (vi) entities exempt from Italian corporate income tax.

Payments made 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 26 per cent. withholding tax, but will form part of their aggregate income subject to IRES according to ordinary rules. In certain cases, such amounts may also be included in the taxable net value of production for IRAP purposes.

Such a withholding tax is levied by any entities, resident in Italy, which intervene in the collection of payment of the Notes or in the transfer of the Notes.

Capital gains realised on any sale or transfer of the Notes for consideration or on redemption thereof by Italian resident investors are subject to the tax regime described under paragraph "Capital gains" below.

#### *Non-Italian resident Noteholders*

Interest payments relating to Notes received by non-Italian resident beneficial owners are, provided that certain conditions and formalities are met, are generally 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 "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 ruling 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 "*Capital gains*" below.

### **Capital gains**

#### *Italian resident Noteholders*

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 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 of TUIR, capital gains accrued on the sale of the Notes are subject to a 26 per cent. substitute tax ("*imposta sostitutiva*").

In certain circumstances, non-commercial pension entities incorporated under Law No. 509 or Law No. 103 are entitled to a tax credit equal to the positive difference between withholding taxes and substitute taxes levied at a rate of 26 per cent. on financial proceeds deriving from their investments (including the Notes), as certified by the relevant withholding agent, and a notional 20 per cent. taxation rate, provided that such tax credit is disclosed by such entities in the annual corporation tax return. Further details in this respect will be provided by a decree of the Italian Ministry of Economy still to be issued.

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 of TUIR and Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 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 the "*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. Pursuant to Law Decree No. 66 of 26 April 2014 ("**Decree No. 66**"), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; and (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014;
- (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 Decree No. 461). Such a 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 securities management, in the same tax year or in the following tax years up to the fourth. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; and (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. 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 Decree No. 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 26 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. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; and (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. 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 Noteholder’s 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 gain realised on the transfer of or redemption of the Notes by beneficial owners which are Italian Real Estate Investment Funds and Real Estate SICAFs will be subject to either substitute tax or to any other income tax at the level of the Real Estate Investment Fund or the Real Estate SICAF. A withholding tax at a rate of up to 26 per cent. may apply under certain circumstances on income realised by the participants on distributions or redemption of the units or the shares (where the item of income realised by the participants may include the capital gains on the Notes). In certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund and Real Estate SICAF owning more than 5 per cent. of the units or the shares.

Any capital gain realised through the transfer for consideration or redemption of the Notes by beneficial owners which are Investment Funds, SICAVs or SICAFs 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 26 per cent. on distributions or redemptions made by the Investment Fund, or SICAV or SICAF to certain categories of investors.

Any capital gain 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 Legislative Decree No. 252 of 5 December 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 20 per cent. A 9 per cent. tax credit may be granted to the Pension Fund in certain circumstances; further details in this respect will be provided by a decree of the Italian Ministry of Economy still to be issued.

#### *Non-Italian resident Noteholders*

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 of 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 26 per cent. substitute tax on capital gains pursuant to Article 5 of Decree No. 461 in case the Notes are held in Italy and are not traded in a regulated market. However, in such case, pursuant to Article 5, paragraph 5 of Decree No. 461,

capital gains are exempt from the 26 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 authorised 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 No. 461 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 or sisters are subject to the 6 per cent. inheritance and gift tax on the value 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 beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of 5 February 1992, this tax only applies to the value of the assets (including the Notes) received in excess of €1,500,000 at the rates shown above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

### ***Transfer tax***

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 €200; (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 Law Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), converted with Law No. 214 of 22 December 2011, 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 0.2 per cent. (such a tax is determined in proportion to the period of ownership). 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 or – in the case the nominal or redemption value cannot be determined – on the purchase value of such financial assets held outside of the Italian territory. A tax credit is granted for any foreign wealth tax levied abroad on such financial assets (up to the amount of the Italian wealth tax due).

### **Stamp taxes and duties**

According to Article 19 of Decree No. 201, a proportional stamp duty applies on a yearly basis at the rate of 0.2 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 (including the Notes). For investors other than individuals, the stamp duty cannot exceed the amount of €14,000. 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 20 June 2012) 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, as amended by Law No. 97 of 6 August 2013 and by Law No. 50 of 28 March 2014, individuals, non-commercial partnerships (in particular, “*società semplici*” or similar partnership in accordance with Article 5 of TUIR) and non-commercial entities which are resident in Italy for tax purposes and in the course of the year hold (or are beneficial owners, as defined for anti-money laundering purposes, of) investments abroad or have financial activities abroad 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 the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000 throughout the year). The above reporting is not required with respect to Notes deposited at source with qualified Italian intermediaries and with respect to contracts entered into through their intervention, provided that the financial flows and income derived from the Notes are subject to tax by the same intermediaries.

### **Italian Financial Transaction Tax**

According to Article 1 of Law No. 228 of 24 December 2012 and the related implementing regulations, an Italian Financial Transaction tax (“**IFTT**”) applies - subject to certain exemptions - on the transfer of property rights in shares and other equity instruments issued by Italian resident companies as well as on securities representative of the same shares or other equity instruments issued by Italian resident companies regardless of the tax residence of the issuer of the certificates. IFTT applies regardless of the tax residence of the parties and/or where the transaction is entered into. IFTT applies on the transfer of shares and equity instruments at a rate of 0.2 per cent., reduced to 0.1 per cent., respectively, if the transaction is executed on a regulated market or a multilateral trading system as defined under Directive 2004/39/CE of States of the European Union or of States of the European Economic Area allowing an adequate exchange of information with the Italian Tax Authorities. The taxable base is the transaction value, which is defined as the consideration paid for the transfer or as the net balance of the transactions executed by the same subject in the course of the same day.

Specific exemptions are provided in certain cases such as for the transfer of shares and equity instruments under certain transactions (e.g. repo or securities lending transactions), the transfer of shares and equity instruments traded on regulated markets or multilateral trading systems issued by companies with an average market capitalisation below certain thresholds or the transfer of shares and equity instruments executed by certain parties (such as, for example, mandatory providential entities).

IFTT also applies on the execution of transactions on derivative financial instruments as defined under Article 1, paragraph 3, of Legislative Decree No. 58 of 24 February 1998 (“**Decree No. 58**”), on securities that do not provide for an unconditional obligation of the issuer to pay an amount at maturity at least equal to their nominal value and allowing the purchase or sale of financial instruments referred to under Article 1, paragraph 1-bis, lett. c), Decree No. 58 or on securities providing for a cash settlement referred to under Article 1, paragraph 1-bis, lett. d) of Decree No. 58, if the underlying financial instruments or the underlying reference value is represented for more than 50 per cent. by the market value of shares or equity instruments issued by Italian resident companies or certificates representative

of the same shares or equity instruments. On such derivative financial instruments and securities IFTT applies at a fixed amount for each transaction, ranging from €0.01875 to €200, depending on the notional value of the instrument and the type of underlying financial instrument.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (“**Decree No. 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.

## **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 subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Council Directive 2003/48/EC on the taxation of savings income as from 1 January 2015. Payments of interest by Luxembourg paying agents to non resident individual Noteholders and to certain residual entities are thus no longer subject to any Luxembourg withholding tax.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

## **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 (“**Dutch Individuals**”); and
- (ii) entities that are subject to the Dutch Corporate Tax Act 1969 (“**CITA**”) and are resident or deemed to be resident of the Netherlands for the purposes of the CITA, excluding:
  - pension funds (*pensioenfondsen*) and other entities, that are in full or in part exempt from Dutch corporate tax; and
  - investment institutions (*beleggingsinstellingen*), (“**Dutch Corporate Entities**”).

#### *Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Generally, a Dutch Individual who holds Notes (i) that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, or (ii) from which he derives benefits which are not taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), must record the Notes as assets for purposes of the regime for income from savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4 per cent. of the net fair market value of these assets and liabilities measured, in general, at the beginning of every calendar year, insofar the net fair market value of these assets and liabilities exceeds a certain threshold. 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.

## Norway

*This subsection presents a brief outline of certain tax aspects under Norwegian law related to purchase, holding and disposal of Notes. This description is based on Norwegian tax regulations in force at the date of this Base Prospectus, focusing on Norwegian withholding tax regulations. The description does not purport to be a complete analysis of all tax considerations relating to the Notes and does not include any information with respect to taxation in any other jurisdiction than Norway. Prospective purchasers of Notes should consult their professional tax advisers regarding the 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) of acquiring, owning and disposing of Notes.*

### Non-Norwegian resident holders

Payments of interest or principal amounts to a holder of Notes not resident in Norway for Norwegian tax purposes are not subject to Norwegian income or withholding tax.

Norwegian income or withholding tax will generally not be payable with respect to any capital gain or foreign currency exchange gain realised by a holder of Notes not resident in Norway for Norwegian tax purposes upon the sale, exchange, redemption or other form of disposal of Notes. Further, a holder of Notes not resident in Norway for Norwegian tax purposes is not subject to Norwegian wealth tax, property tax or any similar taxes on the Notes.

A holder of Notes not resident in Norway for Norwegian tax purposes may, however, be subject to Norwegian taxation on the Notes if the holding of the Notes is effectively connected with a business in Norway or which is governed from Norway.

### Norwegian resident holders

Individuals, corporations and other legal entities resident in Norway and treated as separate taxpayers for Norwegian tax purposes are subject to Norwegian income tax on their worldwide income. Income on the Notes will generally be taxable.

Even though income from the Notes is generally taxable for Norwegian resident holders, such income is not subject to any Norwegian withholding tax at the level of the Issuer, custodian or any paying agents.

### Transfer Tax

There is currently no Norwegian transfer tax on the transfer of Notes.

## 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 48 per cent., plus a 3.5 per cent. surtax (*sobretaxa extraordinária*) on part of the taxable income resulting from the inclusion of such income in total income reported, plus certain income as defined by law which exceeds the annual minimum wage (currently €7,070) and a solidarity tax (*taxa adicional de solidariedade*) of up to 5 per cent. on taxable income exceeding €250,000 (2.5 per cent. on taxable income below €250,000, but exceeding €80,000). The progressive taxation under the personal income tax rules may then go 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 48 per cent., plus a 3.5 per cent. surtax (*sobretaxa extraordinária*) on part of the taxable income resulting from the inclusion of such income in total income reported, plus certain income as defined by law which exceeds the annual minimum wage (currently €7,070) and a solidarity tax (*taxa adicional de solidariedade*) of up to 5 per cent. on taxable income exceeding €250,000 (2.5 per cent. on taxable income below €250,000, but exceeding €80,000). The progressive taxation under the personal income tax rules may then go 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 five 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 21 per cent. (small and medium-sized enterprises, as defined by law and subject to the *minimis* rule of the European Union, avail of a 17 per cent. corporate income tax rate for the first €15,000 of taxable income). A municipal surcharge (*derrama municipal*), at variable rates (as set by municipal bodies) of up to 1.5 per cent. of taxable income may also apply. Moreover, corporate taxpayers are also subject to a State surcharge of 3 per cent. on the portion of the taxable profit between €1.5 million and €7.5 million, of 5 per cent. on the portion of the taxable profits between €7.5 million and €35 million and of 7 per cent. on the portion exceeding €35 million.

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.

Corporate entities recognised as having public interest and charities, pension funds, retirement saving funds, education savings funds, retirement and education savings funds, share savings funds, venture capital funds organised and operating in accordance with Portuguese law and some other similar entities are exempt from corporate income tax.

## 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:

- (a) Interest paid to holders who are Spanish resident individuals will be subject to Spanish withholding tax at 20 per cent. for tax period 2015 (19 per cent. as from tax period 2016 onwards) to be deducted by the depository 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.
- (b) Income obtained upon transfer of the Notes will be subject to Spanish withholding tax at 20 per cent. for tax period 2015 (19 per cent. as from tax period 2016 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.

- (c) Income obtained upon redemption of the Notes will be subject to Spanish withholding tax at 20 per cent. for tax period 2015 (19 per cent. as from tax period 2016 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 depository 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 20 per cent. for tax period 2015 and 19 per cent. as from tax period 2016 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.

### **Sweden**

*The following summary outlines certain Swedish tax consequences relating to the Notes. The summary is based on the laws 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 Sweden**

No Swedish withholding tax (Sw. *kupongskatt*) 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 Sweden**

There is no Swedish withholding tax (Sw. *kupongskatt*) on payments made by the Issuer in respect of the Notes to Holders resident in Sweden for tax purposes, but any income is taxable in Sweden 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 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 (Sw. *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.

## Taiwan

*The following summary of certain taxation provisions under Taiwan law is based on current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.*

### **Interest on the Notes**

As the Issuer of the Notes is not a Taiwanese statutory tax withholder, there is no Taiwanese withholding tax on the interest to be paid on the Notes.

Payments of interest under the Notes to a Taiwanese individual holder are not subject to Taiwan income tax as such payments received by him/her are not considered to be Taiwan-sourced income. However, such holder must include the interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax (“**AMT**”), unless the sum of the interest and other non-Taiwan-sourced income received by such holder and the person(s) who is(are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollar (“**NT\$**”). If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes such holder's AMT payable.

Taiwanese corporate holders must include the interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

### **Sale of the Notes**

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax (“**STT**”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of Taiwan prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds for seven years from 1 January 2010 to 31 December 2016. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2016. Starting from 1 January 2017, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, Taiwanese individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, Taiwanese individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, Taiwanese corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes the Taiwanese corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

## 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.*

*References in this part to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.*

Payments of interest on the Notes may be made without deduction for or withholding on account of United Kingdom income tax.

HMRC has powers to obtain information relating to securities in certain circumstances. This may include the value of the Notes, 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 provided to tax authorities in other countries.

## United States

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 that are properly treated as debt for U.S. federal income tax purposes. 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 (such as the alternative minimum tax or the net investment income tax). 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, 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, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States 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) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any State thereof or the District of Columbia, (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 validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in 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 them and 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 of the date hereof 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. IT IS NOT INTENDED TO BE RELIED UPON BY PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE. ALL 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 U.S. holder’s method of accounting for U.S. federal income tax purposes. Interest paid by Rabobank on the Notes and original issue discount (“**OID**”), 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 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 generally is 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 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 includible 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.

Any gain recognised on the sale or retirement of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies 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 for which the election is made. 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 may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

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 Market 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 generally will 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 equal to or 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 (or a related party) or that is unique to the circumstances of Rabobank (or a related party), such as dividends, profits or the value of Rabobank’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of Rabobank). 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” generally will 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) equal to or 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 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 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](mailto: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 generally will 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 generally will 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 generally will 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 an election is made to include any such amount, 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 generally will 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.

Any ordinary 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 generally will be foreign source.

A U.S. Holder's tax basis in a Contingent Note generally will 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 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 deemed exchanged therefor. 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 accrual basis 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 sale or retirement 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) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect 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 market 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 generally will 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 generally will 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 notes — 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 generally will 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 generally will 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 (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

##### *Foreign currency contingent notes*

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder generally will 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 date of acquisition), (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 generally 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 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. Any ordinary gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note generally will 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 foreign currency interest is received or at the time of the sale or retirement. Foreign currency that is purchased generally will 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 foreign currency (including its use to purchase Notes or an exchange for U.S. Dollars) will be ordinary U.S. source 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 otherwise fails to comply with applicable certification requirements. 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 generally is 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**

U.S. Holders that own certain foreign financial assets, including debt of foreign entities, with an aggregate value in excess of U.S.\$50,000 at the end of the taxable year or U.S.\$75,000 at any time during the taxable year, may be required to file an information report with respect to such assets with their tax returns. These thresholds are increased for married individuals filing jointly and for certain individuals 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 the rules relating to foreign financial asset reporting.

**FATCA Withholding**

Pursuant to certain provisions of U.S. law commonly known as 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**”) entered into pursuant to FATCA (such local law, “**IGA Legislation**”), may be required to identify and report to the government of the United States or another relevant jurisdiction certain information regarding “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 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, consents or documentation made(i) in

respect of certain U.S. source payments, (ii) beginning January 1, 2017, in respect of payments of gross proceeds (including principal repayments) from the disposition of property that can produce US source interest or dividends and (iii) beginning January 1, 2017 (at the earliest) in respect of “foreign passthru payments”. FATCA withholding in respect of foreign passthru payments is not required for “obligations” that are not treated as equity for U.S. federal income tax purposes unless such obligations are issued or materially modified after the date that is six months after the date on which the final regulations defining “foreign passthru payments” are filed with the Federal Register.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes and the information reporting obligations of the Issuers and other entities in the payment chain is still developing. In particular, a number of jurisdictions have entered into (including the Netherlands, Australia and Singapore) IGAs (or similar mutual understandings) with the United States, which modify the way in which FATCA applies in their jurisdictions. The full impact of such agreements (and the laws implementing such agreements in such jurisdictions) on reporting and withholding responsibilities under FATCA is unclear. The Issuer and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive and/or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how the United States and the jurisdictions which enter into IGAs will address withholding on “foreign passthru payments” or if such withholding will be required at all.

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 IGA will be unlikely to affect the Notes. This Base Prospectus 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.

The application of FATCA to Notes issued or materially modified on or after 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 may be addressed in a supplement/supplementary prospectus to this Base Prospectus, as applicable.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUERS, THE NOTES AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

## TRANSFER RESTRICTIONS

### Rule 144A Notes

Each purchaser of Restricted Notes within the United States 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 REALES OF THIS NOTE.

- (4) Rabobank, 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, 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) 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 WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

- (4) 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.
- (5) 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 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 7 May 2015 (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, in the case of Exempt Notes only, be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms.

#### Public Offer Selling Restriction under the Prospectus Directive

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 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 person or entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

### **The Argentine Republic**

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 the Argentine Republic. The CNV has not approved the Notes, the offering, nor any document relating to the offering and/or selling of the Notes. Each Dealer has represented and agreed that it has not offered and/or sold, and will not offer or sell, any of such Notes in the Argentine Republic, except in transactions that will not constitute a public offering within the meaning of Section 2 of the Argentine Capital Markets Law No. 26,813 authorised by the CNV pursuant to Section 19 b) of such law as regulated by Decree 1023/2013 and all the rules issued by the CNV.

### **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 has represented and agreed that, and unless the relevant Final Terms or supplement to this Base Prospectus otherwise provides, in connection with the primary distribution of the Notes, it:



- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Base Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in an alternate currency, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the 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 has agreed 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.

### **Brazil**

The Notes have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets. Neither the Issuer nor any of the Notes have been, or will be, registered with the Brazilian Securities and Exchange Commission (the “*Comissão de Valores Mobiliários*”). 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, of 7 December 1976, as amended, and 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 or distributed 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. The Notes may not be offered or sold in Brazil and each Dealer has represented and agreed, and each further Dealer that may be appointed in the future under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Brazil, except in circumstances that do not constitute a public offering, placement, negotiation, distribution or sale under Brazilian law or regulations.

### **Canada**

The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. 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.

## Chile

Neither the Issuer nor the Notes have been registered with the *Superintendencia de Valores y Seguros de Chile* (“**SVS**”) pursuant to Law No. 18.045, the *Ley de Mercado de Valores*, and regulations thereunder. Each Dealer has represented and agreed that the Notes will only be offered to Qualified Investors, as this term is defined in the General Regulation No. 336 of 2008 issued by the SVS. The Notes are securities that are not registered in the Securities’ Registry nor in the Foreign Securities’ Registry kept by the SVS and therefore are not subject to the supervision of said authority and, as such, the Issuer is not obliged to provide public information related to them in Chile. The Notes are not subject to a public offer until they are registered in the Securities’ Registry or in the Foreign Securities’ Registry kept by the SVS, as appropriate.

## 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.

## 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 Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”) Rulebook; 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 (COB) of the DFSA Rulebook.

## 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, publicly offer or sell in Finland any Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Markets Act (*arvopaperimarkkinalaki* (746/2012), as amended) and any regulation or rule made thereunder, as supplemented and amended from time to time.

## The Republic of France

Each Dealer has represented 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*.

### 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.

### 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 (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### Hungary

No permit for the issue of the Notes has been obtained (including obtaining approval of the terms and conditions of the Notes) from the National Bank of Hungary (the “NBH”) nor is required under Hungarian Act CXX of 2001 on Capital Markets (the “Hungarian Capital Markets Act”). No action has been taken in Hungary (including obtaining approval of this Base Prospectus from the NBH and the admission to trading on a regulated market (as defined in Chapter II, Sec. 5 (1) 114., of the Hungarian

Capital Markets Act)) for the purposes of any Notes to qualify as securities admitted to trading on the Hungarian regulated market or any other European regulated market (both within the meaning of the Hungarian Capital Markets Act).

Save for the cases of a Hungarian Public Offer in compliance with the requirements of the Capital Markets Act, each Dealer has represented and agreed with the Issuer that it has not offered or sold, and will not offer or sell, any Notes in Hungary through a public offering, and has not provided and will not provide any communication to a broader circle of persons containing information on the securities being offered and the terms under which they may acquire the securities and which are sufficient for the investor to make a decision or to subscribe for, or purchase, such securities.

Each Dealer has represented and agreed that it has complied with and will comply with all the requirements of the Hungarian Capital Markets Act and has not taken, and will not take, any action which would result in the Notes being deemed to have been issued in Hungary, the issue of the Notes being classed as “taking deposits and other repayable funds from the public” by the Issuer in Hungary under Section 3 (1) (a) of the Hungarian Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the “**Hungarian Banking Act**”) or requiring a permit, registration, filing or notification to the NBH or other authorities in Hungary in respect of the Notes in accordance with the Hungarian Capital Markets Act or the practice of the NBH.

If the Notes are offered in a private placement in Hungary, the Issuer must report such private placement to the NBH within 15 days from the closing date of the private placement.

Each Dealer has represented and agreed that if the Notes are offered in a private placement in Hungary, (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement; (ii) it will ensure that all investors receive the same information which is material or necessary to the evaluation of the Issuer’s current market, economic, financial or legal situation and its expected development, including that which was discussed in any personal consultation with an investor, and (iii) the following standard wording will be included in such written communication:

“PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS DOCUMENT WAS PREPARED IN CONNECTION WITH A PRIVATE PLACEMENT IN HUNGARY.”

## **Ireland**

Each Dealer has represented, warranted and agreed that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), as amended, including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 – 2013 (as amended) or, following its commencement (expected to have effect from 1 June 2015), the Companies Act 2014 of Ireland, with the provisions of the Central Bank Acts 1942 – 2014 (as amended) and with any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005, as amended, and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland; and

- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

### Israel

Neither the offering contemplated by the Base Prospectus and the 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 who are not individuals ("**Qualified Israeli Investors**"). Each such offeree must confirm in writing to the relevant Dealer(s) that it is a Qualified Israeli Investor and that it is not an individual, specify the category of Qualified Israeli Investor, and confirm that it understands the meaning of being a Qualified Israeli Investor and agrees thereto.

### 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 paragraphs (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.

### **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.

### **Jordan**

This Base Prospectus is not intended to constitute an offer, issuance or solicitation to purchase or invest in the Notes. Each Dealer has represented and agreed that the Notes have not been and will not be issued, offered, sold, listed, 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. Without limiting the foregoing, each Dealer has represented and agreed that the Notes have not been and will not, in any manner, whether directly or indirectly, be issued, offered, sold, promoted or advertised under circumstances which would constitute a public offer of securities under Jordanian law, including by way of offer, sale or issue to more than 30 persons in Jordan, without complying with the required approval and notification requirements provided pursuant to the Provisional Securities Law No. 76 of the Year 2002, as amended, and the regulations issued pursuant to it.

### **Lithuania**

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell the Notes in the Republic of Lithuania under circumstances which would constitute a public offer or an advertisement of securities under Lithuanian law, including the Law on Securities (No. X-1023 dated 18 January 2007 as amended from time to time) and any other applicable laws. Any offer or sale of the Notes in the Republic of Lithuania shall be made pursuant to an exemption as defined under Article 3(2) of the Prospectus Directive, and the Law on Securities transposing into national law the Prospectus Directive, as amended from time to time, or otherwise in compliance with the Law on Securities. Each Dealer has acknowledged that this Base Prospectus has not been approved by or notified to the Bank of Lithuania being the Lithuanian financial supervisory authority.

### **Macau**

Each Dealer has acknowledged that:

- (i) the distribution of this Base Prospectus and the offering and sale of the Notes in the Macau Special Administrative Region of the People's Republic of China ("**Macau**") are

subject to restrictions and may not be made except as permitted under the terms of and in compliance with the Macau Financial System Act and any other laws and/or regulations in Macau that may apply to the offer and sale of the Notes; and

- (ii) this Base Prospectus has not been filed with or approved by the Macau Monetary Authority and no action has been taken to permit a public offering of the Notes or the distribution of this Base Prospectus in Macau.

Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Macau unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, or, where required by Macau law or regulation, prior authorisation by the Macau Monetary Authority, in accordance with the guidelines, recommendations and/or circulars issued by the Macau local regulatory authority from time to time.

### **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, the Final Terms may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel et de Résolution* and the *Ministre d'Etat* or 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*.

The recipient of this document, including such duly authorised intermediary above-mentioned, is perfectly fluent in English and waives the possibility of receiving a French version of this document and of any documentation in relation with the Notes.

*Le destinataire du présent document, notamment les intermédiaires autorisés mentionnés ci-dessus, reconnaît être à même de prendre connaissance en langue anglaise de ce document et de tout document ayant un lien avec les Investissements et renonce expressément à une traduction française.*

### **The Netherlands**

Each Dealer has represented and agreed that the Exempt Notes may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or (ii) standard exemption wording and a logo is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Exempt Notes shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

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.

### **New Zealand**

This Base Prospectus has not been, nor will be, lodged as a product disclosure statement under the New Zealand Financial Markets Conduct Act 2013 (the “**Act**”). Accordingly, the Notes must not be offered to any person or entity in New Zealand in breach of that Act. Without limitation, no person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy, or sell the Notes, or distribute this Base Prospectus or any other advertisement or offering material relating to the Notes in New Zealand, or to any resident of New Zealand, except that the Notes may be offered:

- (i) to persons or entities who are wholesale investors as defined clauses 3(2) or 3(3)(b)(iii) of Schedule 1 of the Act; or
- (ii) otherwise as permitted under the Act and any other applicable laws.

### **Norway**

This Base Prospectus does not constitute a public offer in Norway and has not been approved by or notified to the Financial Supervisory Authority of Norway. Each Dealer has represented and agreed that it (a) has not offered or sold and will not offer or sell any Notes directly or indirectly in Norway or to residents or citizens of Norway; and (b) that it has not distributed and will not distribute this Base Prospectus or any other offering material relating to the Notes in or from Norway, except in circumstances which will not result in a requirement to prepare a prospectus pursuant to the provisions of the Norwegian Securities Trading Act (*lov 29. juni 2007 nr. 75 Lov om verdipapirhandel*).

### **Qatar**

Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in the State of Qatar including in the Qatar Financial Centre, except: (a) in compliance with all applicable laws and regulations of the State of Qatar, including in the Qatar Financial Centre; and (b) only through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities or foreign debt financing instruments in the State of Qatar.

### **Russia**

Each Dealer has represented and agreed that the Notes will not be offered, transferred or sold 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.

### **San Marino**

The Issuer has not received the authorisation by the Central Bank of San Marino pursuant to Law No. 165 of 17th November 2005 (hereinafter “**LISF**”), so that any reserved activity listed in Attachment 1 to the LISF can be exercised. 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.



Each Dealer has represented and agreed that:

- (a) it has not offered, sold or delivered, and will not offer, sell or deliver any Notes, the relevant Final Terms and any other document and material relating to the Notes in San Marino; and
- (b) the selling and distribution of the Notes, the relevant Final Terms and any other document relating to the Notes can be carried out only to "Professional Clients" as defined in the LISF and its implementing regulations, as long as they have not been solicited and/or directly contacted by the Dealer or the Issuer.

## **Singapore**

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;

- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **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 (i) the Banks Act, 1990 and any regulations promulgated thereunder, including the Commercial Paper regulations, (ii) the Companies Act 2008, (iii) the Financial Advisory and Intermediary Services Act 2002, (iv) the JSE Listings Requirements and/or (v) any other applicable laws or regulations of the Republic of South Africa in force from time to time.

### **South 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.

### **Spain**

This Base Prospectus has not been approved by or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores* and, therefore, each Dealer has represented and agreed that the Notes may not be offered, sold or re-sold 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 (*Ley 24/1988, de 28 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 1310/2005 of 4 November, as amended and restated.

### **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*).

## **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 unless otherwise so stated in the Final Terms 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.

## **Taiwan**

Subject to the paragraph below, the offering of the Notes has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and 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 Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

As to the Notes to be listed on the Taipei Exchange in Taiwan pursuant to the Rules Governing Management of Foreign Currency Denominated International Bonds of the Taipei Exchange, the above selling restriction is not applicable and following selling restriction shall apply instead: the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, in the Republic of China, Taiwan, to investors other than "professional institutional investors" as defined in Paragraph 2, Article 19-7 of the Regulations Governing Securities Firms of Taiwan.

## **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 approval of the same by 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. 6362 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 the prior approval of 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 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 obtain the approval of the CMB 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 (i) Article 15(d)(ii) of Decree No. 32 regarding the Protection of the Value of the Turkish Currency (as amended from time to

time) which generally stipulates that Turkish residents may purchase or sell Notes (as they are denominated in a currency other than Turkish Lira) (or beneficial interests therein) offshore on an unsolicited (reverse inquiry) basis in the secondary markets only, provided that such purchase or sale is made through licensed banks or licensed brokerage institutions authorised pursuant to Banking Regulation and Supervision Agency and/or CMB regulations; (ii) the Banking Law No. 5411 and its related legislation; and (iii) the CML and its related legislation.

## **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.

The Notes may be offered and sold by a Dealer to a Ukrainian resident outside of the territory of Ukraine provided that (i) such Ukrainian resident obtained an individual license from the NBU authorising the transfer of foreign currency for the purchase of such Notes and (ii) no currency control restrictions (either temporary or permanent) have been imposed by the National Bank of Ukraine prohibiting or limiting such payment by Ukrainian resident or purchase of foreign currency funds for such payment. Any such purchase (or further sale by a Ukrainian resident) of the Notes may be carried out only if such Ukrainian resident is licenced as a professional securities trader or if the Notes are sold through a duly licenced professional securities trader.

According to the currency control restrictions temporarily introduced by the National Bank of Ukraine in its Resolution No. 160 dated 3 March 2015, cross-border transfers of funds (and relevant purchases of foreign currency) by Ukrainian residents on the basis of individual licences issued by the National Bank of Ukraine, including on the basis of an individual license authorizing transfer of foreign currency for purchase of the Notes, are prohibited (subject to certain exceptions which are not applicable to purchase of the Notes by Ukrainian residents). The aforesaid currency control restrictions are effective until 3 June 2015 (inclusive), however, the National Bank of Ukraine may extend or readopt them for any subsequent period of time.

## **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.

## **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## United Mexican States

The Notes may not be offered or sold publicly in Mexico. Each Dealer has represented and agreed that it will not offer or sell the Notes publicly in Mexico and that any offering materials related to the Notes may not be distributed publicly in Mexico, nor be used in connection with any public offer or sale of the Notes in Mexico. The Notes may be privately offered and sold in Mexico pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) (the “**LMV**”) and its applicable regulations.

The Notes have not been and will not be registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (the “**CNBV**”), nor will the terms and conditions of the offering of the Notes be notified to the CNBV in accordance with the terms of Article 7, Second Paragraph of the LMV, provided that the Notes are not being issued in Mexico or by a Mexican entity.

This Prospectus is solely the responsibility of the Issuers and has not been reviewed or authorised by the CNBV.

## 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, in the case of Bearer Notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer and the relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S or (in the case of Notes issued by Rabobank) 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 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. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of an offering of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. 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 within the United States only to qualified institutional buyers pursuant to Rule 144A.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to

any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

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".

**FORM OF FINAL TERMS WITH RESPECT TO PD NOTES**

**FINAL TERMS**

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.  
(RABOBANK)**

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

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.  
(RABOBANK) AUSTRALIA BRANCH**

(Australian Business Number 70 003 917 655)

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

EUR 160,000,000,000

Global Medium-Term Note Programme

Due from seven days to perpetuity

**SERIES NO: [●]**

**TRANCHE NO: [●]**

**[●] Notes [year of issue] due [●]<sup>11</sup> (the “Notes”)**

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer/Manager(s)]

The date of these Final Terms is [●]

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<sup>11</sup> For Floating Rate Notes and Inverse Floating Rate Notes, insert relevant month and year only, not the date within the month of maturity.

[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/Manager] has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>12</sup>

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated 7 May 2015 [and the Supplemental Prospectus[es] dated [●]] ([together,] the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the [offering circular/base prospectus] dated [original date] (the “**Conditions**”), which are incorporated by reference in the base prospectus dated 7 May 2015 [and the supplemental prospectus[es] dated [●]] ([together,] the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and Paris and [www.bourse.lu](http://www.bourse.lu).]<sup>13</sup>

[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

<sup>12</sup> Paragraph to be included only in the case of a Tranche of Notes that are Non-Exempt PD Notes and/or have a denomination of less than EUR 100,000.

<sup>13</sup> This alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.



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 REALES OF NOTES REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE]<sup>14</sup>

**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 subparagraphs, 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.]*

- |          |  |   |
|----------|--|---|
| <b>1</b> | Issuer:  | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) <sup>15</sup><br><br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch]   |
| <b>2</b> | (i) Series Number:                             | [●]   |
|          | (ii) Tranche Number:                           | [●]   |
|          | (iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> (the “Existing Notes”) on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below [which is expected to occur on or about [insert date]]]</i> ]. |
| <b>3</b> | Specified Currency or Currencies:              | [●]   |

<sup>14</sup> Paragraph to be included only in the case of a Tranche of Notes issued pursuant to Rule 144A.

<sup>15</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes in NGN form and Notes denominated in Sterling.

- 4** Aggregate nominal amount:
- (i) Series: [●]
- (ii) Tranche: [●]
- 5** Issue Price: [●] per cent. of the aggregate nominal amount  
[plus accrued interest in respect of the period from, and including, [insert date/the Interest Commencement Date] to, but excluding, [insert date/the Issue Date] (if applicable)]
- 6** (i) Specified Denominations:<sup>16</sup> [●][ and integral multiples of [●] in excess thereof, up to and including [●].]
- (ii) Calculation Amount: [●]
- 7** (i) Issue Date: [●]
- (ii) Interest Commencement Date: [As specified in Condition 1][[●] (specify if other than the Issue Date)][Not Applicable]
- 8** Maturity Date: [specify date (or indicate if Notes are perpetual) or (for Floating Rate Notes) Specified Interest Payment Date falling in or nearest to the relevant month and year]  
*(N.B. it will be necessary to use the second option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification)*
- 9** Interest Basis: [[●] per cent. Fixed Rate]  
[[specify applicable rate] +/- [●] per cent. Floating Rate]  
[Inverse Floating Rate]  
[Range Accrual]  
[Zero Coupon]  
[CMS Linked]  
[Variable Rate]  
[(further particulars specified below)]
- 10** Change of Interest Basis: [Not Applicable][Applicable. Further particulars specified below.]  
*(If applicable, complete further detail in "Variable Rate Note" below.)*
- 11** Redemption/Payment Basis: [Redemption at par/The Final Redemption Amount shall be determined as provided below]

<sup>16</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]".

- 12 Alternative Currency Equivalent: [Not Applicable/Applicable.]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Alternative Currency: [●]  
(ii) Alternative Currency Adjudication Agent:<sup>17</sup> [●]  
(iii) Alternative Currency Calculation Agent:<sup>18</sup> [●]  
(iv) Maximum Days of Postponement: [●] Business Days
- 13 Put/Call Options/Automatic Early Redemption: [Put Option]  
[Call Option]  
[Automatic Early Redemption]  
[(further particulars specified below)]
- 14 (i) Status of the Notes: Senior  
(ii) Domestic Note (if Domestic Note, there will be no gross-up for withholding tax): [No/Yes]  
(iii) Date of approval for issuance of Notes obtained: [●][Not Applicable]
- [N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15 **Fixed Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]  
*(N.B. Condition 11(h) will apply if an Interest*

<sup>17</sup> When paragraph 12 (Alternative Currency Equivalent) is ‘Applicable’, a separate Alternative Currency Adjudication Agency Agreement will be needed if the Alternative Currency Adjudication Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

<sup>18</sup> When paragraph 12 (Alternative Currency Equivalent) is ‘Applicable’, a separate Alternative Currency Calculation Agency Agreement will be needed if the Alternative Currency Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

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*Payment Date falls on a non-business day)*

*(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)*

[Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

For these purposes, “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]

(iii) Fixed Coupon Amount{(s)}:

[[●] per Calculation Amount/[except in respect of the [Short/Long] First Coupon]/Not Applicable]

*(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)*

[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]

(iv) Broken Amount:

[In respect of the period from and including [●] to but excluding [●], [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]/Not Applicable]

(v) Day Count Fraction (Condition 1(a)):

[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); 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)*

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- (vi) Determination Date(s) (Condition 1(a)): [●] in each year *[insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*(Determination Date must be specified if Actual/Actual-ICMA is specified in Item 16(v))*
- (vii) [Business Day Convention:] [Applicable — Modified Following Business Day Convention] *(Only applicable where Notes are denominated in Renminbi, otherwise delete this item)*
- 16 Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [As specified in Condition 1][●]
- (ii) Specified Interest Payment Dates: [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest period (the “[**Short/Long** First Coupon”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s) (Condition 1(a)): [●] *(please provide all the relevant Business Centres in relation to the interest determination)*
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/*[Insert details if interest will be determined in accordance with Condition 6(b)(iii)(D)]*]
- (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] *(Specify the Condition which sets out the applicable formula 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 6(b)(iii)(B)): [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/Interest Period]]
  - Relevant Screen Page(s): [●]
  - Location of Reference Banks: [[●]/As per the Conditions]
- (x) ISDA Determination (Condition 6(b)(iii)(A)): [Applicable/Not Applicable]
- Floating Rate Option(s): [●]
  - Designated Maturity(ies): [●]
  - Reset Date: [●]
- (xi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xii) Margin(s): [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●]
- (xiv) Maximum Rate of Interest: [●]
- (xv) 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]
- (xvi) Gearing Factor: [Not Applicable/[●]]
- (xvii) Previous Coupon: [Applicable/Not Applicable/The Previous Coupon shall be calculated by reference to the Interest Period commencing on [●]]
- [In respect of the Interest Period Commencing on the Interest Commencement Date, the Previous Coupon is [●] per cent.]
- 17 Inverse Floating Rate Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Interest Period(s): [As specified in Condition 1][●]
  - (ii) Specified Interest Payment Dates: [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest

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- period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s) (Condition 1(a)): [●] (*please provide all the relevant Business Centres*)
- (v) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vi) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): [INV(1)][INV(2)][INV(3)][INV(4)][INV(5)][INV(6)] [INV(7)][INV(8)]
- (vii) Inverse Rate: The mathematical [difference between][sum of] (*specify applicable rate(s)/Floating Rate Option(s)*) determined in accordance with [ISDA Determination][Screen Rate Determination] as set out below:
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Calculation Agent/[●]]
- (ix) Screen Rate Determination (Condition 6(b)(iii)(B)):
- 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/Interest Period]
  - Relevant Screen Page: [●]
  - Location of Reference Banks: [[●]/As per the Conditions]
- (x) ISDA Determination (Condition 6(b)(iii)(A)):
- Floating Rate Option(s): [●]
  - Designated Maturity(ies): [●]
  - Reset Date: [●]
- (xi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xii) Margin, Margin<sub>1</sub>, Margin<sub>2</sub> and/or Margin<sub>3</sub>: [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●]
- (xiv) Maximum Rate of Interest: [●]
- (xv) Day Count Fraction (Condition 1(a)): [Actual/Actual; Actual/Actual-ISDA;

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Actual/365 (Fixed); Actual/365 (Sterling); Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA]

(xvi) Gearing Factor:

[●]

(xvii) Previous Coupon:

[Applicable/Not Applicable/The Previous Coupon shall be calculated by reference to the Interest Period commencing on [●]]

[In respect of the Interest Period Commencing on the Interest Commencement Date, the Previous Coupon is [●] per cent.]

**18 Range Accrual Note Provisions**

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Interest Period(s):

[As specified in Condition 1][●]

(ii) Specified Interest Payment Dates:

[[●] in each year, commencing on [●] up to and including the Maturity Date]

[[●] in each year, commencing on [●] (the "First Interest Payment Date") up to and including the Maturity Date]

There will be a [short/long] first fixed interest period (the "[Short/Long] First Coupon") in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]

(iii) Business Day Convention:

[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

(iv) Business Centre(s) (Condition 1(a)):

[●] *(please provide all the relevant Business Centres)*

(v) Interest Period Date(s):

[Not Applicable/specify dates]

(vi) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s):

[RAN(1)][RAN(2)][RAN(3)][RAN(4)][RAN(5)]

(vii) Range Accrual Condition<sub>1</sub>, Range Accrual Condition<sub>2</sub> and/or Range Accrual Condition<sub>3</sub>:

[●] *[Specify applicable Range Accrual Condition from Condition 6(d)]*

(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):

[Calculation Agent/[●]]

(ix) Applicable Rate(s):

*[Specify absolute value (If applicable)]* [The mathematical [difference between][sum of]] *(specify applicable rate(s)/Floating Rate Option(s))* determined in accordance with [ISDA Determination][Screen Rate



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	Determination] as set out below:
	[Applicable/Not Applicable]
(x) Screen Rate Determination (Condition 6(b)(iii)(B)):	
– 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(s):	[●]
– Location of Reference Banks:	[[●]/As per the Conditions]
(xi) ISDA Determination (Condition 6(b)(iii)(A)):	[Applicable/Not Applicable]
– Floating Rate Option(s):	[●]
– Designated Maturity(ies):	[●]
– Reset Date:	[●]
(xii) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(xiii) Accrual Range:	[●]
(xiv) Accrual Rate:	[●]
(xv) Fixing Day:	[As per Conditions]/[●]
(xvi) Rate Cut-off Date:	[As per Conditions]/[●]
(xvii) Gearing Factor:	[●]
(xviii) Margin(s):	[+/-] [●] per cent. per annum
(xix) Minimum Rate of Interest and/or Minimum Rate of Interest <sub>1</sub> :	[●]
(xx) Maximum Rate of Interest and/or Maximum Rate of Interest <sub>1</sub> :	[●]
(xxi) 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]
(xxii) Business Days:	[As per Conditions]/[The Business Centre shall be [●]]
(xxiii) [[FX Rate(s):	[●]]
(xxiv) Reference Currency:	[●]
(xxv) Base Currency:	[●]
(xxvi) FX Price Source:	[●]
(xxvii) FX Rate Sponsor:	[●]
(xxviii) Number of FX Settlement Days:	[●]

(xxix) Valuation Time:	[●]
<b>19 Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
(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>20 CMS Linked Note Provisions</b>	[Applicable/Not Applicable] <sup>19</sup> (If not applicable, delete the remaining subparagraphs of this paragraph)
(i) Interest Period(s):	[As specified in Condition 1][●]
(ii) Specified Interest Payment Dates:	[[●] in each year, commencing on [●] up to and including the Maturity Date] [[●] in each year, commencing on [●] (the “ <b>First Interest Payment Date</b> ”) up to and including the Maturity Date There will be a [short/long] first fixed interest period (the “[ <b>Short/Long</b> ] <b>First Coupon</b> ”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]]
(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv) Business Centre(s) (Condition 1(a)):	[●] (please provide all the relevant Business Centres)
(v) Interest Period Date(s):	[Not Applicable/specify dates]
(vi) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s):	[CMS(1)][CMS(2)][CMS(3)][CMS(4)] [CMS(5)][CMS(6)][CMS(7)][CMS(8)] [CMS(9)][CMS(10)][CMS(11)][CMS(12)] [CMS(13)][CMS(14)][CMS(15)][CMS(16)] [CMS(17)][CMS(18)][CMS(19)][CMSRA(1)] [CMSRA(2)][CMSRA(3)][CMSRA(4)] [CMSRA(5)] (If applicable, specify which formula is applicable in respect of different Interest Periods)
(vii) Party responsible for calculating the Rate(s) of	[Calculation Agent/[●]]

<sup>19</sup> Please note that CMS Linked Notes which specify the formula CMS(9), CMS(10), CMS(11), CMS(12), CMS(13), CMS(14), CMS(15), CMS(16), CMS(17), CMS(18), CMS(19), CMSRA(1), CMSRA(2), CMSRA(3), CMSRA(4) or CMSRA(5) should only be offered in minimum denominations of €100,000 (or its equivalent in any other currency).

Interest and Interest Amount(s):	
(viii) Screen Rate Determination (Condition 6(b)(iii)(B)):	[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(s):	[●]
– Location of Reference Banks:	[[●]/As per the Conditions]
(ix) ISDA Determination (Condition 6(b)(iii)(A)):	[Applicable/Not Applicable]
– Floating Rate Option(s):	[●]
– Designated Maturity(ies):	[●]
– Reset Date:	[●]
(x) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(xi) Accrual Range:	[●]
(xii) Accrual Rate:	[●]
(xiii) Applicable Rate:	[●]
(xiv) Fixing Day:	[As per Conditions]/[●]
(xv) Rate Cut-off Date:	[As per Conditions]/[●]
(xvi) Gearing Factor, Gearing Factor <sub>1</sub> , Gearing Factor <sub>2</sub> , Gearing Factor <sub>3</sub> , Gearing Factor <sub>4</sub> and/or Gearing Factor <sub>5</sub> :	[●]
(xvii) Margin, Margin <sub>1</sub> , Margin <sub>2</sub> and/or Margin <sub>3</sub> :	[+/-] [●] per cent. per annum
(xviii) Minimum Rate of Interest, Minimum Rate of Interest <sub>1</sub> and/or Minimum Rate of Interest <sub>2</sub> :	[●]
(xix) Maximum Rate of Interest, Maximum Rate of Interest <sub>1</sub> and/or Maximum Rate of Interest <sub>2</sub> :	[●]
(xx) Power:	[●]
(xxi) 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]
(xxii) [FX Rate(s)]:	[●]
(xxiii) Reference Currency:	[●]
(xxiv) Base Currency:	[●]
(xxv) FX Price Source:	[●]

(xxvi) FX Rate Sponsor:	[●]
(xxvii) Number of FX Settlement Days:	[●]
(xxviii) Valuation Time:	[●]
<b>21 Variable Rate Note Provisions</b>	[Applicable][Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph.)</i>
(i) Variation Notice:	[Applicable][Not Applicable]
[(a) Minimum notice period if other than 5 Business Days:	[●]] <i>(Delete if not applicable)</i>
(ii) Variation Date[s]:	[●]
(iii) Initial Rate of Interest:	The [Fixed Interest Rate][Floating Interest Rate][Inverse Floating Interest Rate][Range Accrual Interest Rate][Zero Coupon Interest Rate][CMS Linked Interest Rate] specified below: <i>(Replicate details in paragraph 16, 17, 18, 19, 20 or 21, as applicable.)</i>
(iv) Varied Rate[s] of Interest:	The [Fixed Interest Rate][Floating Interest Rate][Inverse Floating Interest Rate][Range Accrual Interest Rate][Zero Coupon Interest Rate][CMS Linked Interest Rate] specified below: <i>(Replicate details in paragraphs 16, 17, 18, 19, 20 or 21, as applicable, specifying which Variation Date to which the Varied Rate of Interest relates.)</i>
<b>PROVISIONS RELATING TO REDEMPTION</b>	
<b>22 Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs 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)(iii)],[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

*Form of Final Terms with respect to PD Notes*

**23 Put Option**

more than [30] days prior to the relevant Optional Redemption Date]

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (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]

**24 Automatic Early Redemption**

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Automatic Early Redemption Amount: [●] per Calculation Amount
- (ii) Automatic Early 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]]

**25 Early Redemption Amount**

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(f)); or (c) for taxation reasons (Condition 7(c)): [[●] per Calculation Amount/As set out in the Conditions]

**26 Final Redemption Amount of each Note**

[●] per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**27 Form of Notes**

[Bearer Notes/Exchangeable Bearer Notes/Registered Notes]

*[Delete as appropriate]*

[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes]<sup>20</sup>

<sup>20</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.

*Form of Final Terms with respect to PD Notes*

		[Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note] <sup>10</sup>
		[Restricted Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the restricted Global Certificate ( <i>for Notes issued pursuant to Rule 144A</i> )] <sup>21</sup>
		[Unrestricted] Global Certificate [registered in the name of [a nominee for DTC/a common depository 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 ( <i>for Notes issued pursuant to Regulation S</i> )]
	New Global Notes: <sup>22</sup>	[Yes/No]
28	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 subparagraphs 16(iv), 17(iv), 18(iv) and 20(iv) relate</i> ]
29	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions in Condition [●]]
30	Consolidation provisions:	[Not Applicable/The provisions in Condition [●]]

## **[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.]

## **[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.]

<sup>21</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes represented by a Restricted Global Certificate.

<sup>22</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes in NGN form or in the form of Registered Notes to be held under the NSS.

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>23</sup>  
*(Where documenting a fungible issue, indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [[●]/Not Applicable]
- (iv) In the case of Notes listed on Euronext Amsterdam: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Amsterdam Listing Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)
- (b) Amsterdam Paying Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)

### 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**

<sup>23</sup> Where documenting a fungible issue, indicate that original securities are already admitted to trading.



**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 for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

**4 [Reasons for the offer, estimated net proceeds and total expenses]<sup>24</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.

**6 Historic interest rates (Floating Rate Notes, Range Accrual Notes and CMS Linked Notes only)<sup>25</sup>**

Details of the past and further performance of [LIBOR/LIBID/LIMEAN/GBP-ISDA-Swap

<sup>24</sup> Delete if the minimum denomination is at least €100,000.

<sup>25</sup> Delete if the minimum denomination is at least €100,000.

Rate/EURIBOR/EONIA/STIBOR/CNH HIBOR/EUR-ISDA-EURIBOR-Swap Rate/JPY-ISDA-Swap Rate/USD-ISDA-Swap Rate/other] can be obtained from [●].

## 7 Operational information

- (i) Intended to be held in a manner which would allow Eurosystem eligibility:<sup>26</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>27</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: [●]
- [(If fungible with an existing Series insert.)

<sup>26</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes in NGN form.

<sup>27</sup> The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, form *société anonyme*).

*Form of Final Terms with respect to PD Notes*

- [Pending consolidation with the Existing Notes: [●]  
Following consolidation with the Existing Notes: [●]]
- (iii) Common Code: [●]  
[[*If fungible with an existing Series insert:*]  
[Pending consolidation with the Existing Notes: [●]  
Following consolidation with the Existing Notes: [●]]
- (iv) German WKN-code: [●]/Not Applicable
- (v) Private Placement number: [●]/Not Applicable
- (vi) CUSIP Number:<sup>28</sup> [●]
- (vii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s): [Not Applicable/give *name(s) and number(s)*]
- (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):<sup>29</sup> [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 *names and addresses*]  
  
*(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 Managers. Where applicable, set out the material features of any underwriting agreements, including quotas, and where an issue is only*

<sup>28</sup> Applicable to Restricted Global Certificates. Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes represented by a Restricted Global Certificate.

<sup>29</sup> Separate Calculation Agency Agreement needed if the Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

*Form of Final Terms with respect to PD Notes*

*partially underwritten, include a statement of the portion not covered.)*

- (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]

*[If the sole Dealer in respect of Notes issued by Rabobank is Rabobank (in its capacity as Dealer), such Dealer will not subscribe for the Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from the Dealer to the subscriber and the Dealer receives funds from the subscriber on behalf of Rabobank]*

- (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**

[Applicable/Not Applicable], *(if not applicable, delete the remaining subparagraphs of this paragraph)*<sup>30</sup>

- (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

<sup>30</sup> Not applicable if the minimum denomination is at least €100,000 or the Notes are otherwise offered in circumstances which do not require the publication of a prospectus pursuant to the Prospectus Directive.

*Form of Final Terms with respect to PD Notes*

- 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 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 Authorised Offeror of their allocations of Notes and the settlement procedures in respect thereof.] [●]
- (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) Whether tranche(s) have been reserved for certain countries. Not Applicable. The terms of the Public Offer do not reserve any tranche(s) for certain countries.
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [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 Base Prospectus in connection with the Public Offer [and who are identified on the Issuer's website as an Authorised Offeror/in the manner described in the Base Prospectus] (together, the "**Authorised Offerors**").

**SUMMARY OF THE NOTES<sup>31</sup>**

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<sup>31</sup> Insert only for Tranches of PD Notes that are (i) Non-Exempt PD Notes and/or (ii) are listed on an EEA regulated market and have a denomination of less than EUR 100,000. Where any Non-Exempt PD Notes are offered in jurisdictions where one or more translations of the Issue Specific Summary are required, the relevant Managers/Dealer (together with their/its counsel) is responsible for drafting such translations. The Issue Specific Summary should be drafted by using the Programme summary on pages 7 to 31 of this document, deleting the text relating to the Programme summary and completing the relevant issue-specific disclosure.



**FORM OF FINAL TERMS WITH RESPECT TO EXEMPT NOTES**

**FINAL TERMS<sup>32</sup>**

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.  
(RABOBANK)**

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

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.  
(RABOBANK) AUSTRALIA BRANCH**

(Australian Business Number 70 003 917 655)

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

EUR 160,000,000,000

Global Medium-Term Note Programme

Due from seven days to perpetuity

**SERIES NO: [●]**

**TRANCHE NO: [●]**

**[●] Notes [year of issue] due [●]<sup>33</sup> (the “Notes”)**

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer/Manager(s)]

The date of these Final Terms is [●]

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<sup>32</sup> Dealer(s)/Manager(s) to include any necessary legending required by article 5:20, paragraph 5 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) in case of an offer to the public of Exempt Notes in the Netherlands.

<sup>33</sup> For Floating Rate Notes and Inverse Floating Rate Notes, insert relevant month and year only, not the date within the month of maturity.

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated 7 May 2015 [and the Supplemental Prospectus[es] dated [●]] ([together,] the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [(collectively, the “**Documentation**”)]<sup>34</sup>. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and Paris and www.bourse.lu.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the [offering circular/base prospectus] dated [original date] (the “**Conditions**”), which are incorporated by reference in the base prospectus dated 7 May 2015 [and the supplemental prospectus[es] dated [●]] ([together,] the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions [(collectively, the “**Documentation**”)]<sup>35</sup>. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus and the Conditions. The Base Prospectus is available for viewing at, and copies may be obtained from Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and Paris and www.bourse.lu.]<sup>36</sup>

[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 REGULATIONS 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 REALES OF NOTES REPRESENTED BY A RESTRICTED GLOBAL CERTIFICATE]<sup>37</sup>

**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.**

<sup>34</sup> To be included in the case of Notes listed on the Taipei Exchange.

<sup>35</sup> To be included in the case of Notes listed on the Taipei Exchange.

<sup>36</sup> This alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.

<sup>37</sup> Paragraph to be included only in the case of a Tranche of Notes issued pursuant to Rule 144A.

Form of Final Terms with respect to Exempt Notes

[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 subparagraphs, 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) <sup>38</sup><br><br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch]  |
| <b>2</b> | (i) Series Number:                             | [•]  |
|          | (ii) Tranche Number:                           | [•]  |
|          | (iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 36 below [which is expected to occur on or about [insert date]]]. |
| <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 in respect of the period from, and including, [insert date/the Interest Commencement Date] to, but excluding, [insert date/the Issue Date] (if applicable)]   |
| <b>6</b> | (i) Specified Denominations: <sup>39</sup>     | [•]  |
|          | (ii) Calculation Amount:                       | [•]  |
| <b>7</b> | (i) Issue Date:                                | [•]  |
|          | (ii) Interest Commencement Date:               | [As specified in General Condition 1][[•] (specify if other than 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  |

<sup>38</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) 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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*nearest to the relevant month and year]*

*(N.B. it will be necessary to use the second option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification)*

- 9** Interest Basis: [[●] per cent. Fixed Rate]  
[[*specify applicable rate*] +/- [●] per cent. Floating Rate]  
[Inverse Floating Rate]  
[Range Accrual]  
[Zero Coupon]  
[CMS Linked]  
[Variable Rate]  
[Index Linked Interest]  
[Equity Linked Interest]  
[FX Linked Interest]  
[Other (*specify*)]  
[(further particulars specified below)]
- 10** Redemption/Payment Basis: [Redemption at par/The Final Redemption Amount shall be determined as provided below]  
[Index Linked Redemption]  
[Equity Linked Redemption]  
[FX Linked Redemption]  
[Interest Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Protection Amount]  
[Other (*specify*)]  
[The Final Redemption Amount shall be determined as provided below.]
- 11** Change of Interest or Redemption/Payment Basis: [Not Applicable][Applicable. Further particulars specified below.]  
(If applicable, complete further detail in "Variable Rate Note" below.)
- 12** Alternative Currency Equivalent: [Not Applicable/Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Alternative Currency: [●]

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- (ii) Alternative Currency Adjudication Agent:<sup>40</sup> [●]  
(iii) Alternative Currency Calculation Agent:<sup>41</sup> [●]  
(iv) Maximum Days of Postponement: [●] Business Days
- 13** Put/Call Options/Automatic Early Redemption: [Put Option]  
[Call Option]  
[Automatic Early Redemption]  
[(further particulars specified below)]
- 14** (i) Status of the Notes: Senior  
(ii) Domestic Note (if Domestic Note, there will be no gross-up for withholding tax): [No/Yes]  
(iii) Date of approval for issuance of Notes obtained: [●][Not Applicable]
- [N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15 Fixed Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]  
*(N.B. Condition 11(h) will apply if an Interest Payment Date falls on a non-business day)*  
*(N.B. The second option below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)*

<sup>40</sup> When paragraph 12 (Alternative Currency Equivalent) is ‘Applicable’, a separate Alternative Currency Adjudication Agency Agreement will be needed if the Alternative Currency Adjudication Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

<sup>41</sup> When paragraph 12 (Alternative Currency Equivalent) is ‘Applicable’, a separate Alternative Currency Calculation Agency Agreement will be needed if the Alternative Currency Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

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[Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]

(iii) Fixed Coupon Amount[(s)]:

[[●] per Calculation Amount/Not Applicable]

*(N.B. The second option below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)*

[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]

(iv) Broken Amount:

[In respect of the period from and including [●] to but excluding [●], [●] per Calculation Amount payable on the Interest Payment dated falling 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; Other]

*(Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed)*

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- (vi) Determination Date(s) (Condition 1(a)): [●] in each year *[insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*(Determination Date must be specified if Actual/Actual-ICMA is specified in Item 16(v))*
- (vii) [Business Day Convention:] [Applicable — Modified Following Business Day Convention] *(Only applicable where Notes are denominated in Renminbi, otherwise delete this item)*
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 16 Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [As specified in Condition 1][●]
- (ii) Specified Interest Payment Dates: [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (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/ *[Insert details if interest will be determined in accordance with Condition 6(b)(iii)(D) (or include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amount(s)]*
- (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*

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	Amount(s))
(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent/[•]]
(ix) Screen Rate Determination (Condition 6(b)(iii)(B)):	[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 Interest Period]]
– Relevant Screen Page(s):	[•]
– Location of Reference Banks:	[[•]/As per the Conditions]
(x) ISDA Determination (Condition 6(b)(iii)(A)):	[Applicable/Not Applicable]
– Floating Rate Option(s):	[•]
– Designated Maturity(ies):	[•]
– Reset Date:	[•]
– ISDA Definitions (if different from those set out in the Conditions):	[•]
(xi) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xii) Margin:	[+/-] [•] per cent. per annum
(xiii) Minimum Rate of Interest:	[•]
(xiv) Maximum Rate of Interest:	[•]
(xv) 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]
(xvi) Gearing Factor:	[•]
(xvii) Previous Coupon:	[•] (Insert details of the Previous Coupon where different from that described in the Conditions)
(xviii) 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>17 Inverse Floating Rate Note Provisions</b>	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Interest Period(s):	[As specified in Condition 1][•]



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- (ii) Specified Interest Payment Dates: [[•] in each year, commencing on [•] up to and including the Maturity Date]  
 [[•] in each year, commencing on [•] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
 There will be a [short/long] first fixed interest period (the “[**Short/Long** **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*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): [INV(1)][INV(2)][INV(3)][INV(4)][INV(5)][INV(6)][INV(7)][INV(8)]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Calculation Agent/[•]]
- (ix) Screen Rate Determination (Condition 6(b)(iii)(B)):  
 – 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 6(b)(iii)(A)):  
 – Floating Rate Option(s): [•]  
 – Designated Maturity(ies): [•]  
 – Reset Date: [•]  
 – ISDA Definitions (if different from those set out in the Conditions): [•]
- (xi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long*)

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	<i>interest period)]</i>
(xii) Margin, Margin <sub>1</sub> , Margin <sub>2</sub> and/or Margin <sub>3</sub> :	[+/-] [●] per cent. per annum
(xiii) Minimum Rate of Interest:	[●]
(xiv) Maximum Rate of Interest:	[●]
(xv) 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]
(xvi) Gearing Factor:	[●]
(xvii) Previous Coupon:	[●] <i>(Insert details of the Previous Coupon where different from that described in the Conditions)</i>
(xviii) 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>18 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):	[As specified in Condition 1][●]
(ii) Specified Interest Payment Dates:	[●] in each year, commencing on [●] up to and including the Maturity Date [●] in each year, commencing on [●] (the " <b>First Interest Payment Date</b> ") up to and including the Maturity Date There will be a [short/long] first fixed interest period (the " <b>[Short/Long] First Coupon</b> ") in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]
(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <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/specify dates]
(vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest	[RAN(1)][RAN(2)][RAN(3)][RAN(4)][RAN(5)]

- Amount(s):
- (viii) Range Accrual Condition<sub>1</sub>, Range Accrual Condition<sub>2</sub> and/or Range Accrual Condition<sub>3</sub>: [●] [*Specify applicable Range Accrual Condition from Condition 6(d)*]
  - (ix) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Calculation Agent/[●]]
  - (x) Screen Rate Determination (Condition 6(b)(iii)(B)): [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]
  - (xi) ISDA Determination (Condition 6(b)(iii)(A)): [Applicable/Not Applicable]
    - Floating Rate Option(s): [●]
    - Designated Maturity(ies): [●]
    - Reset Date: [●]
    - ISDA Definitions (if different from those set out in the Conditions): [●]
  - (xii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
  - (xiii) Accrual Range: [●]
  - (xiv) Applicable Rate: [●]
  - (xv) Fixing Day: [As per Conditions]/[●]
  - (xvi) Rate Cut-off Date: [As per Conditions]/[●]
  - (xvii) Gearing Factor: [●]
  - (xviii) Margin(s): [+/-] [●] per cent. per annum
  - (xix) Minimum Rate of Interest and/or Minimum Rate of Interest<sub>1</sub>: [●]
  - (xx) Maximum Rate of Interest and/or Maximum Rate of Interest<sub>1</sub>: [●]
  - (xxi) 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]
  - (xxii) Business Days: [As per Conditions]/[●]
  - (xxiii) 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:

- 19 Zero Coupon Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (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: [●]
- 20 CMS Linked Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [As specified in Condition 1][●]
- (ii) Specified Interest Payment Dates: [[●] in each year, commencing on [●] up to and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) up to and including the Maturity Date  
There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date. [See Linear Interpolation below.]]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(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]

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- (vii) Applicable formula to be used for calculating the Rate(s) of Interest and Interest Amount(s): [CMS(1)][CMS(2)][CMS(3)][CMS(4)]  
[CMS(5)][CMS(6)][CMS(7)][CMS(8)]  
[CMS(9)][CMS(10)][CMS(11)][CMS(12)]  
[CMS(13)][CMS(14)][CMS(15)][CMS(16)]  
[CMS(17)][CMS(18)][CMS(19)][CMSRA(1)]  
[CMSRA(2)][CMSRA(3)][CMSRA(4)]  
[CMSRA(5)] (If applicable, specify which formula is applicable in respect of different Interest Periods)
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Calculation Agent/[•]]
- (ix) Screen Rate Determination (Condition 6(b)(iii)(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 6(b)(iii)(A)): [Applicable/Not Applicable]
- Floating Rate Option(s): [•]
  - Designated Maturity(ies): [•]
  - Reset Date: [•]
  - ISDA Definitions (if different from those set out in the Conditions): [•]
- (xi) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (xii) Applicable Rate: [•]
- (xiii) Gearing Factor, Gearing Factor<sub>1</sub>, Gearing Factor<sub>2</sub>, Gearing Factor<sub>3</sub>, Gearing Factor<sub>4</sub> and/or Gearing Factor<sub>5</sub>: [•]
- (xiv) n: [•]
- (xv) Margin, Margin<sub>1</sub>, Margin<sub>2</sub> and/or Margin<sub>3</sub>: [+/-] [•] per cent. per annum
- (xvi) Minimum Rate of Interest<sub>1</sub> and/or Minimum Rate of Interest<sub>2</sub>: [•]
- (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);

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	Actual/Actual-ICMA; Other]
(xix) [FX Rate(s):	[•]
(xx) Reference Currency:	[•]
(xxi) Base Currency:	[•]
(xxii) FX Price Source:	[•]
(xxiii) FX Rate Sponsor:	[•]
(xxiv) Number of FX Settlement Days:	[•]
(xxv) Valuation Time:	[•]
(xxvi) 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>21 Variable Rate Note Provisions</b>	[Applicable][Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
(i) Variation Notice:	[Applicable][Not Applicable]
[(a) Minimum notice period if other than 5 Business Days:	[•]] <i>(Delete if not applicable)</i>
(ii) Variation Date[s]:	[•]
(iii) Initial Rate of Interest:	The [Fixed Interest Rate][Floating Interest Rate][Inverse Floating Interest Rate][Range Accrual Interest Rate][Zero Coupon Interest Rate][CMS Linked Interest Rate] specified below: <i>(Replicate details in paragraph 16, 17, 18, 19, 20 or 21, as applicable.)</i>
(iv) Varied Rate[s] of Interest:	The [Fixed Interest Rate][Floating Interest Rate][Inverse Floating Interest Rate][Range Accrual Interest Rate][Zero Coupon Interest Rate][CMS Linked Interest Rate] specified below: <i>(Replicate details in paragraphs 16, 17, 18, 19, 20 or 21, as applicable, specifying which Variation Date to which the Varied Rate of Interest relates.)</i>
<b>22 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] <i>[specify other]</i>

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(iii) [Index:	[•]
Index Sponsor:	[•]
Exchange:	[•]
Related Exchange:	[•]/[All Exchanges]] <sup>42</sup>
[(iii) 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>
(iv) Index Valuation Date(s)/Averaging Date(s):	[•]
[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement]
	<i>(NB: 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> ]/[•] <i>(Insert Trade Date of related swap transaction (if different from Issue Date))</i> ]
(vi) Valuation Time:	[•]
(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> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(ix) Interest Period(s):	[As specified in Condition 1][•]
(x) Interest Period Date(s):	[Not Applicable/specify dates]
(xi) Specified Interest Payment Dates:	[[•] in each year, commencing on [•] up to and including the Maturity Date] [[•] in each year, commencing on [•] (the “ <b>First Interest Payment Date</b> ”) up to and

<sup>42</sup> Delete entire paragraph if basket of indices.

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	including the Maturity Date
	There will be a [short/long] first fixed interest period (the “[Short/Long] First Coupon”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]
(xii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(xiii) Business Centre(s) (Condition 1(a)):	[Please see sub-paragraph (iii) above] <sup>43</sup> /[•] (please provide all the relevant Business Centres)
(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]. <i>(If Correction of Index Levels does not apply, delete the following sub-paragraph)</i>
(xviii) [Correction Cut-Off Date:	[[•] Business Days prior to the Maturity Date.] [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.]]
(xix) Such other additional terms or provisions as may be required:	[•]
<b>23 Equity Linked Interest Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

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<sup>43</sup> Delete if single Index.



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- |   |   |
|---|---|
| (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] [ <i>Specify other</i> ]  |
| (iii) [Underlying Security:   | [•]   |
| Company:  | [•]   |
| ISIN:   | [•]   |
| Exchange:   | [•]   |
| Related Exchange:   | [•]/[All Exchanges]] <sup>44</sup>  |
| (iii) [Basket:  | The basket composed of Underlying Securities of each Company specified below in the [relative proportions/number of shares of each Company] specified:  |
|   | Weighting   |
| - Index   | [•]   |
| - Index Sponsor   | [•]   |
| - Business Centres  | [•]   |
| - Exchange(s)   | [•]   |
| - Related Exchange(s)   | [•]] <sup>27</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) 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> )]/[•] ( <i>Insert Trade Date of related swap transaction (if different from Issue Date)</i> )]                          |
| (vi) Valuation Time:  | [•]   |
| (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><br>[Potential Adjustment Event]<br>[Merger Event]<br>[Tender Offer]<br>[Nationalisation]<br>[De-Listing]<br>[Insolvency]<br>[Other]) |

<sup>44</sup> Delete entire paragraph if basket of Underlying Securities.

<sup>27</sup> Delete if single Underlying Security.

*Form of Final Terms with respect to Exempt Notes*

- [Applicable/Not Applicable] *(If not applicable, delete the remainder of this paragraph)*
- (viii) Additional Disruption Events: *[Change in Law]*  
*[Hedging Disruption]*  
*[Increased Cost of Hedging]*  
*[Other]*
- (ix) Interest Period(s): [As specified in Condition 1][●]
- (x) Interest Period Dates: [Not Applicable/specify dates]
- (xi) Specified Interest Payment Date(s): [[●] in each year, commencing on [●] and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) and including the Maturity Date.  
[There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]
- (xii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (xiii) Business Centre(s) (Condition 1(a)): [Please see sub-paragraph (iii) above]<sup>45</sup> / [●] (*please provide all the relevant Business Centres*)
- (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 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

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<sup>45</sup> Delete if single Underlying Security.

*Form of Final Terms with respect to Exempt Notes*

	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> :]	[Bid Rate]/[Mid Rate]/[•]
– [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):]	[•]
(iii) [Basket:	[•]
(iv) 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> ]/[•] <i>(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:	[•]

*Form of Final Terms with respect to Exempt Notes*

- (xii) Initial FX Valuation Date: [●]
- (xiii) Initial FX Averaging Date: [●]
- (xiv) FX Interest Valuation Date: [●]
- (xv) Interest Period(s): [As specified in Condition 1][●]
- (xvi) Interest Period Dates: [Not Applicable/*specify dates*]
- (xvii) Specified Interest Payment Date(s): [[●] in each year, commencing on [●] and including the Maturity Date]  
[[●] in each year, commencing on [●] (the “**First Interest Payment Date**”) and including the Maturity Date.  
There will be a [short/long] first fixed interest period (the “[**Short/Long**] **First Coupon**”) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]  
[Not Applicable]
- (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: [●] (*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*)
- (xxiv) Disrupted Days: [Price Source Disruption and/or Inconvertibility Event as specified in Condition 10]  
[Other Events]
- (xxv) Additional Disruption Events: [Applicable/Not Applicable] (*If not applicable, delete the remainder of this paragraph*)  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Other]
- (xxvi) Disruption Fallbacks:  
(a) Calculation Agent FX Determination: [●]

Form of Final Terms with respect to Exempt Notes

	(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</b>	<b>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</b>	<b>Interest Trigger Event</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Initial Rate of Interest:	[•]

(ii) Reset Rate of Interest:	[•]
(iii) Minimum Interest Amount:	[•]
<b>27 Knock-in Event</b>	[Applicable/Not Applicable] <i>(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:	[•] <i>(Specify or include a cross reference to the section in the Final Terms in which the Relevant Rate is set out)</i>
(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 Call Option</b>	[Applicable/Not Applicable] <i>(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)(iii)],[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 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]
- 30 Automatic Early Redemption** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Automatic Early Redemption Amount: [●] per Calculation Amount
- (ii) Automatic Early Redemption Commencement Date: [●]
- (iii) Maximum Interest Amount: [●] per Calculation Amount
- (iv) Notice period: [Condition [7(b)(iii)] shall apply]/[●]
- 31 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(f)); 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 8(i); or (e) in the case of Index Linked Redemption Notes, following an Index Modification, Index Cancellation or Index Disruption Event (Condition 9(g)); or (f) in the case of Equity Linked Redemption Notes, Index Linked Redemption Notes or FX Linked Redemption Notes, following an Additional Disruption Event (if applicable) (Condition 7(h)): [[●] per Calculation Amount/As set out in the Conditions] [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]
- 32 Final Redemption Amount (all Notes except Equity Linked Redemption Notes, Index Linked Redemption Notes and FX Linked Redemption Notes) of each Note** [●] per Calculation Amount
- 33 Final Redemption Amount (Index Linked Redemption Notes) of each Note** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (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: [•]  
 Index Sponsor: [•]  
 Exchange: [•]  
 Related Exchange: [•]/[All Exchanges]]<sup>46</sup>
- [(iii) 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>47</sup>
- (iv) [Index Valuation Date(s)/Averaging Date(s)]: [•]  
 [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement] (*NB: only applicable where Averaging Date(s) are specified*)
- (v) Valuation Time: [•]
- (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: [•] (*If applicable, need to include a description of market disruption events and adjustment provisions*)  
 [Applicable/Not Applicable] (*If not applicable, delete the remainder of this paragraph*)  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [Other]
- (vii) Additional Disruption Events: [•]
- (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].  
 (*If Correction of Index Levels does not apply, delete the following sub-paragraph*)

<sup>46</sup> Delete entire paragraph if basket of Indices.

<sup>47</sup> Delete if single Underlying Security.



- (xi) [Correction Cut-Off Date:  Business Days prior to the Maturity Date.]  
 [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.]]
- (xii) Such other additional terms or provisions as may be required:
- 34 Final Redemption Amount (Equity Linked Redemption Notes) of each Note**  [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (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) [Underlying Security:   
 Company:   
 ISIN:   
 Exchange:   
 Related Exchange: /[All Exchanges]]<sup>48</sup>
- [(iii) Basket:  The basket composed of Underlying Securities of each Company specified below in the [relative proportions/number of shares 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: only applicable where Averaging Date(s) are specified)*
- (v) Valuation Time:

<sup>48</sup> Delete entire paragraph if basket of Underlying Securities.

*Form of Final Terms with respect to Exempt Notes*

- (vi) Business Centre: [Please see paragraph (iii) above]<sup>49</sup> / [•]  
(Please provide all the relevant Business Centres)
- (vii) Physical Settlement: [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)] [Specify other]]
- (viii)[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.]]
- (ix) Provisions for determining Final Redemption Amount where calculation by reference to Underlying Security and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•] *(If applicable, need to include a description of Final Redemption Amount where market disruption or settlement disruption events and adjustment provisions, including:*
- [Potential Adjustment Event]*
  - [Merger Event]*
  - [Tender Offer]*
  - [Nationalisation]*
  - [De-Listing]*
  - [Insolvency]*
  - [other]*
- [Applicable/Not Applicable] (If not applicable, delete the remainder of this paragraph)*
- [Other]*
  - [Change in Law]*

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<sup>49</sup> Delete if single Underlying Security.

*Form of Final Terms with respect to Exempt Notes*

	<i>[Hedging Disruption]</i>
	<i>[Increased Cost of Hedging]</i>
(x) Additional Disruption Events:	<i>[Other]</i>
(xi) Exchange Rate:	<i>[Applicable/Not Applicable] [If applicable insert details]</i>
(xii) Such other additional terms or provisions as may be required:	<i>[•]</i>
<b>35 Final Redemption Amount (FX Linked Redemption Notes) of each Note</b>	<i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Description of formula to be used to determine Final Redemption Amount where calculated by reference to a FX Rate:	<i>[•]</i>
(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	<i>[Deutsche Bank AG, London Branch] [specify other]</i>
(iii) [FX Rate(s):	<i>[•]</i>
(iii) [Basket:	<i>[•]</i>
(iv) Trade Date:	<i>[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))]</i>
(v) Reference Currency:	<i>[•]</i>
(vi) Base Currency:	<i>[•]</i>
(vii) FX Price Source:	<i>[•]</i>
(viii)FX Rate Sponsor:	<i>[•]</i>
(ix) Number of FX Settlement Days:	<i>[•]</i>
(x) [FX Valuation Date(s)/Averaging Date(s)]:	<i>[•]</i>
(xi) Valuation Time:	<i>[•]</i>
(xii) Initial FX Valuation Date:	<i>[•]</i>
(xiii)Initial FX Averaging Date:	<i>[•]</i>
(xiv)FX Business Day Convention:	<i>[Following/Modified Following/Nearest/Preceding/No Adjustment/[give details]]</i>
(xv) FX Financial Centre:	<i>[•]</i>
(xvi)Day Count Fraction:	<i>[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]</i>
(xvii) Provisions for determining Final Redemption Amount:	<i>[•] (If applicable, need to include a description of market disruption or settlement disruption</i>

*Form of Final Terms with respect to Exempt Notes  
events and adjustment provisions)*

- (xviii) Disruption Days: [Price Source Disruption and/or Inconvertibility Event as specified in Condition 10]  
[Other Events]  
[Applicable/Not Applicable] *(If not applicable, delete the remainder of this paragraph)*  
[Change in Law]  
[Hedging Disruption]  
[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] *(If applicable, please specify such dealers)*
- (xxvi) Such other additional terms or provisions as may be required: [•]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 36 Form of Notes** [Bearer Notes/Exchangeable Bearer Notes/Registered Notes]  
[Delete as appropriate]  
[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes]<sup>50</sup>  
[Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent

<sup>50</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.

Form of Final Terms with respect to Exempt Notes

	Global Note] <sup>30</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)] <sup>51</sup>
	[Unrestricted] Global Certificate [registered in the name of [a nominee for DTC/a common depository 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)]
	[Yes/No]
New Global Notes: <sup>52</sup>	
<b>37</b> Financial Centre(s) (Condition 11(h)) or other special provisions relating to payment dates:	Not Applicable/Condition 11(h)(i)[(A)/(B)] applies/give details. [ <i>Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 16(iv), 17(iv), 18(iv), 20(iv), 22(xiii), 23(xiii) and 35(vi) relate</i> ]
<b>38</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:	[Not Applicable/give details]
<b>39</b> Details relating to Instalment Notes: Amount of each instalment, date on which each payment is to be made:	[Not Applicable/give details]
<b>40</b> Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply]
<b>41</b> Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to these Final Terms] apply]
<b>42</b> Other terms or special conditions:	[[●]/Not Applicable]
<b>43</b> Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 15(a):	[Not Applicable/give details]

<sup>51</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes represented by a Restricted Global Certificate.

<sup>52</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes in NGN form or in the form of Registered Notes to be held under the NSS.

**[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.]

**[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>53</sup>

- (i) Listing: [None/[•]]  
[Application will be made by the Issuer to the Taipei Exchange in Taiwan (the “TPEX”) for the listing of the Notes on the TPEX]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•] with effect from [•]/No application for admission to trading has been made]  
*(Where documenting a fungible issue, indicate that original Notes are already admitted to trading.)*  
[Application will be made for the Notes to be admitted to trading on the TPEX with effect from the Issue Date.  
TPEX is not responsible for the content of this document and the Documentation and no representation is made by TPEX to the accuracy or completeness of this document and the Documentation. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Documentation. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes. The effective date of the listing of the Notes is on or about the Issue Date.]
- (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*

<sup>53</sup> Listing of Exempt Notes may only be on an exchange regulated market or on a stock exchange outside the EEA.

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*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 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 for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]]

**4 Yield (Fixed Rate Notes 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>54</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>55</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

<sup>54</sup> Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes in NGN form.

<sup>55</sup> The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, form *société anonyme*).

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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:  | [•]<br>[[If fungible with an existing Series insert.]<br>[Pending consolidation with the Existing Notes: [•]<br>Following consolidation with the Existing Notes: [•]] |
| (iii) Common Code:  | [•]<br>[[If fungible with an existing Series insert.]<br>[Pending consolidation with the Existing Notes: [•]<br>Following consolidation with the Existing Notes: [•]] |
| (iv) German WKN-code:   | [•]/Not Applicable  |
| (v) Private Placement number:   | [•]/Not Applicable  |
| (vi) CUSIP Number: <sup>56</sup>  | [•]   |
| (vii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s): | [Not Applicable/give name(s) and number(s)]   |
| (viii) Delivery:  | Delivery [against/free of] payment  |
| (ix) Names and addresses of additional Paying/Delivery Agent(s) (if any):                                 | Not Applicable/[•]  |

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<sup>56</sup> Applicable to Restricted Global Certificates. Only Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) may issue Notes represented by a Restricted Global Certificate.

*Form of Final Terms with respect to Exempt Notes*

(x) Names (and addresses) of Calculation Agent(s):<sup>57</sup> [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom] [*Specify other*]

**6 Distribution**

(i) Method of distribution: [Syndicated/Non-syndicated]  
(ii) If syndicated, names and addresses of Managers: [Not Applicable/*give names and addresses*]

*(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 Managers. 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.)*

(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*]

*[If the sole Dealer in respect of Notes issued by Rabobank is Rabobank (in its capacity as Dealer), such Dealer will not subscribe for the Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from the Dealer to the subscriber and the Dealer receives funds from the subscriber on behalf of Rabobank]*

(vii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]  
(viii) Additional selling restrictions: [Not Applicable/*give details*]

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<sup>57</sup> Separate Calculation Agency Agreement needed if the Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

## 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 by a resolution of the Executive Board of Rabobank passed on 18 November 2014, 2 December 2014 and 17 March 2015, by a resolution of the Supervisory Board passed on 1 December 2014 and 23 March 2015 and by a secretary's certificate dated 28 April 2015.
2. In January 2015, Rabobank issued EUR 1.5 billion Additional Tier 1 securities. There has been no other 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 2014.
3. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability. Investors should refer to the section entitled "Legal and arbitration proceedings" on page 171 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 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 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.
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 2014, 31 December 2013 and 31 December 2012 (together with the explanatory notes and the independent auditor's reports in respect thereof);
  - (iv) the audited financial statements of Rabobank Nederland for the years ended 31 December 2014, 31 December 2013 and 31 December 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 and the 1998 FX and Currency Option Definitions.
9. Ernst & Young Accountants LLP, of which the "registeraccountants" are members of the Royal NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants – The Royal Netherlands Institute of Chartered Accountants), has audited, and issued unqualified independent auditor's reports, on the non-consolidated financial statements of Rabobank and the consolidated financial statements of Rabobank Group for the years ended 31 December 2014, 31 December 2013 and 31 December 2012. Due to mandatory audit firm rotation requirements in the Netherlands, the Supervisory Board of Rabobank will, at the General Meeting to be held on 18 June 2015, nominate PricewaterhouseCoopers Accountants N.V. as its new external auditor with effect from 1 January 2016.
10. The latest published financial information was for the year ended 31 December 2014.
11. As at the date of this Base Prospectus, no interim financial information in respect of the Issuer is available subsequent to 31 December 2014.
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 relevant Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. 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 relevant 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 relevant 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 relevant Final Terms in respect of a Series of Fixed Rate Notes will not be indication of future yield.

## PRINCIPAL OFFICES OF THE ISSUER

**Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank)**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank)**  
Australia Branch  
Darling Park Tower 3  
Level 16, 201 Sussex Street  
Sydney NSW 2000  
Australia

## INDEPENDENT AUDITOR

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

**Ernst & Young Accountants LLP**  
Cross Towers  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

## DEALERS

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank)**  
**(in its capacity as Dealer)**  
Thames Court  
One Queenhithe  
London EC4V 3RL  
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**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  
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United Kingdom

**Mizuho International plc**  
Bracken House  
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London EC4M 9JA

**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

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

United Kingdom  
**Nomura International plc**  
1 Angel Lane  
London EC4R 3AB  
United Kingdom  
**The Toronto-Dominion Bank**  
60 Threadneedle Street  
London EC2R 8AP  
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**

**Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A. (Rabobank)**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Deutsche Bank AG, Paris Branch  
Securities & Custody Operations**  
Floor 1, 3 Avenue de Friedland  
75008 Paris  
France



**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)**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**LEGAL ADVISERS**

*To Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch  
in respect of Australian law*

**Ashurst**

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

*in respect of United States law*

**Linklaters LLP**

1345 Avenue of the Americas  
New York, New York 10019  
United States