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Rabobank

Rabo Capital Securities Limited

Investment Statement

17 April 2009



For an offer of PIE Capital Securities
of up to \$200 million
(with the option to accept unlimited oversubscriptions at its discretion)

Arranger and Joint Lead Manager



Organising Participant



Joint Lead Manager



Joint Lead Manager



This is an Investment Statement for the purposes of the Securities Act 1978 and is dated and has been prepared as at 17 April 2009. It is an important document and should be read in its entirety.

Important Information

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information contained in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment.

The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

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PART 1

Important notice

Purpose and other information

The purpose of this Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to subscribe for the securities described below.

This Investment Statement relates to an Offer of perpetual non-cumulative non-voting capital securities ("**PIE Capital Securities**"). The PIE Capital Securities will be offered by Rabo Capital Securities Limited ("**Issuer**"), a wholly-owned subsidiary of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank Nederland**") which is the promoter of the Offer. The Issuer will be a Portfolio Listed Company under the Portfolio Investment Entity ("**PIE**") regime in the Tax Act. For more information about the tax treatment of the Issuer and the return on the PIE Capital Securities please refer to Part 5 of this Investment Statement.

Investors should note that other important information is available:

- in the Prospectus for the Offer in which the Terms and Conditions applicable to the PIE Capital Securities ("**PIE Conditions**") are set out in full in Appendix A, within the Constitution of Rabo Capital Securities Limited; and
- in relation to the Promoter of the Offer, Rabobank Nederland, in its recent General Disclosure Statement (which contains Rabobank Nederland's financial statements).

Copies of the Prospectus and of Rabobank Nederland's recent General Disclosure Statements may be obtained free of charge from Computershare Investor Services Limited at Level 2, 159 Hurstmere Road, Takapuna, North Shore City, New Zealand; Rabobank Nederland at Level 12, AXA House, 80 The Terrace, Wellington; by phoning

+64 (4) 819 2700 or online¹.

Selling restrictions

This Investment Statement only constitutes an offer of PIE Capital Securities to the public in New Zealand and to investors in other jurisdictions where the PIE Capital Securities may be lawfully offered. No action has been or will be taken by the Issuer which would permit an offer of PIE Capital Securities to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). PIE Capital Securities may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No Holder, or any other person, may purchase, offer, sell, distribute or deliver PIE Capital Securities, or have in its possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the PIE Capital Securities, in any jurisdiction other than in compliance with all applicable laws and regulations.

By applying for PIE Capital Securities, each applicant indemnifies the Issuer in respect of any loss, cost, liability or expense sustained or incurred by it as a result of that applicant breaching the selling restrictions described above.

Disclaimer

In accepting delivery of this Investment Statement, the recipient acknowledges that none of the Arranger, the Joint Lead Managers, the Organising Participant or the Security Trustee nor any of their officers, employees, agents or advisors gives any warranty or representation

(expressed or implied) of accuracy or reliability with respect to the Investment Statement and they take no responsibility for any accuracy, completeness or reliability of the information contained in this Investment Statement. None of them shall have any liability for any errors or omissions (including for negligence) in this Investment Statement, and each recipient waives all claims in that regard to the fullest extent permissible by law.

This Investment Statement does not constitute specific advice to any particular recipient or person or constitute a recommendation by the Arranger, the Joint Lead Managers, the Organising Participant, the Issuer, the Security Trustee or Rabobank Nederland to subscribe for, or purchase, any of the PIE Capital Securities.

Each recipient of this Investment Statement must decide whether investment in the PIE Capital Securities is appropriate having regard to its own investment objectives, financial situation and particular needs.

Definitions

Unless the context requires otherwise, all references in this Investment Statement to "Conditions" are to the PIE Conditions, which are set out in full in Appendix A of the Prospectus. Capitalised terms used in this Investment Statement have defined meanings which appear in the Glossary from page 74 or in Condition 1 of the PIE Conditions. References to \$ are to New Zealand currency unless otherwise indicated.

¹ The Prospectus is available under the 'News' link at <http://www.rabobank.co.nz/index.asp> and the latest General Disclosure Statement is available at <http://www.rabobank.co.nz/About-Rabobank/Pages/Disclosure-and-Investment-Statements.aspx>. The latest full annual report for the Rabobank Group which supplements these General Disclosure Statements is available at http://www.rabobank.com/content/investor_relations/reports

What do you need to do?

What do I need to do?	Timing	What do I get?
<p>Complete the Application Form at the back of this Investment Statement and enter the number of PIE Capital Securities you wish to apply for as indicated.</p> <p>Applications must be for a minimum of \$5,000 of PIE Capital Securities and thereafter in increments of \$1,000.</p>	<p>The Application Form along with your cheque for the application amount must be received by the Registrar prior to 12:00 noon on the Closing Date (being 22 May 2009).</p> <p>Applicants accepting a firm allocation from a Primary Market Participant need to lodge the Application Form with the offices of that Primary Market Participant which has provided that firm allocation as soon as possible, but in any event, in time for it to be forwarded to the Registrar before 12:00 noon on the Closing Date (being 22 May 2009).</p>	<p>The initial Dividend Rate will be announced on 25 May 2009, and will be at least the Minimum Initial Rate (being 8% per annum). The first Dividend Amount will be paid on 18 June 2009 and thereafter quarterly.</p> <p>Interest will be paid on application monies in respect of accepted applications from the date your cheque is banked to (but not including) the Issue Date at the Official Cash Rate. That interest, less any withholding tax required to be deducted, will be paid out within 5 Business Days after the Issue Date.</p>

Important dates

Opening Date	Monday 27 April 2009
Closing Date	Friday 22 May 2009, 12:00 noon
Margin Announcement Date	Wednesday 29 April 2009
Initial Dividend Rate Set Date	Monday 25 May 2009
Issue Date	Wednesday 27 May 2009
Expected date of initial quotation and trading on NZDX	Thursday 28 May 2009
First Dividend Payment Date	18 June 2009
Dividend Payment Dates	Quarterly, 18 March, 18 June, 18 September and 18 December in each year until redemption [†]
First Dividend Reset Date	18 June 2014 [†]
First Call Date	18 June 2019 [†]
Floating Rate Reset Dates	18 June 2019 and thereafter quarterly on 18 September, 18 December, 18 March and 18 June in each year until redemption [†]
First Conditional Call Date	18 June 2039 [†]

The above dates are indicative only and subject to change by the Issuer at any time prior to the actual issue date. The Issuer has the right to extend or otherwise vary the Opening Date and the Closing Date. This may have a consequent effect on other dates listed above. Any change to the Closing Date will be advised by NZX announcement.

[†] Subject to Business Day conventions as set out in the PIE Conditions.

Investment Highlights

Issuer:	Rabo Capital Securities Limited, a wholly owned subsidiary of Rabobank Nederland.
Type of securities offered:	Non-cumulative Non-voting Perpetual Preference Shares ("PIE Capital Securities").
Term:	No fixed term.
Issue Price:	\$1.00
Issue Amount:	Up to \$200 million, with the ability to accept unlimited oversubscriptions.
Allotment:	Allotment in respect of successful applications will occur on the Issue Date (being 27 May 2009).
NZX Listing:	It is intended that the PIE Capital Securities will be listed on the NZDX Market.
PIE status:	The Issuer will be a Portfolio Listed Company under the PIE regime in the Tax Act. This means that tax on income is capped at 30% and that natural persons and most trustee holders are not required to include dividends in their income tax return.
Credit rating:	The PIE Capital Securities are expected to be assigned a rating of Aa2 from Moody's and AA- from Standard & Poor's.
Dividend:	The PIE Capital Securities will pay a non-cumulative dividend. Dividend Amounts are scheduled to be paid quarterly on each 18 March, 18 June, 18 September and 18 December. The Dividend Amount is the cash component of the dividend and is a proportion of the amount calculated using the Dividend Rate. Dividend Amounts payable on the PIE Capital Securities will be paid to the person registered as the Holder on the relevant Record Date (including in relation to the first Dividend Amount payable).
Initial Dividend Rate:	The initial Dividend Rate will be set for an initial period of approximately 5 years from the Issue Date to 18 June 2014 at the greater of: <ul style="list-style-type: none">• the Minimum Initial Rate, which is 8% per annum; and• the Benchmark Rate on 25 May 2009 plus the Margin.
Dividend Rate reset:	The Dividend Rate will be reset for a further 5 years on 18 June 2014 at the prevailing Benchmark Rate plus the Margin. From 18 June 2019 the Dividend Rate will reset quarterly, at the 90 day bank bill rate plus the Margin.

Margin:	The Margin will be set on 29 April 2009 following a bookbuild amongst Primary Market Participants and institutions. The Margin will be fixed and will not change over the life of the PIE Capital Securities.
Redemption:	The Issuer has the option to redeem the PIE Capital Securities from 18 June 2019, and earlier in certain circumstances. Rabobank Nederland has undertaken to redeem the Underlying Securities on 18 June 2039 (unless they have been previously redeemed or purchased), subject to satisfying certain conditions.
Exchange events:	On the occurrence of certain Exchange Events, the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued directly by Rabobank Nederland or be redeemed. The Issuer has entered into a Security Trust Deed with Public Trust in respect of the Underlying Securities.
Minimum application amount:	Minimum amount of \$5,000 of PIE Capital Securities and thereafter in increments of \$1,000.
Interest on subscriptions:	Successful applicants will receive interest from Rabobank Nederland on application money paid in respect of accepted applications from the date their cheque is banked to (but not including) the Issue Date at the Official Cash Rate. That interest will be paid (less any withholding tax required to be deducted) within 5 Business Days of the Issue Date.

PART 2

Summary of the main terms of the Offer

Description of the PIE Capital Securities

The PIE Capital Securities are perpetual non-cumulative non-voting preference shares to be issued by Rabo Capital Securities Limited. The PIE Capital Securities are direct, unsecured and subordinated obligations of the Issuer. On the occurrence of certain events ("**Exchange Events**") the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed.

The PIE Capital Securities have an issue price of \$1.00.

The Issuer

Rabo Capital Securities Limited is a wholly owned subsidiary of Rabobank Nederland. The relationship between Rabo Capital Securities Limited and Rabobank Nederland is described in *Part 3 - Corporate profile* on page 16. PIE Capital Securities are offered to New Zealand resident investors and investors in other jurisdictions where the PIE Capital Securities may be lawfully offered.

The Offer

The Issuer is offering up to \$200 million of PIE Capital Securities with the ability to accept oversubscriptions for additional PIE Capital Securities. The maximum amount of oversubscriptions which may be accepted by the Issuer is unlimited and will be determined at the Issuer's discretion. The Offer is available to institutions and members of the public who may participate in the Offer pursuant to a firm allocation received from a Primary Market Participant or via the public pool.

There is no pool of PIE Capital Securities reserved for any class of applicant other than members of the public.

Applications must be made on the Application Form contained at the back of this Investment Statement. The minimum application amount is \$5,000 of PIE Capital Securities and thereafter in \$1,000 increments. Applications and accompanying cheques must be received by the Registrar, Computershare Investor Services Limited by 12:00 noon on the Closing Date (being 22 May 2009).

Applicants accepting an allocation from a Primary Market Participant need to lodge their completed Application Form with the offices of that Primary Market Participant in time for it to be forwarded to the Registrar before 12:00 noon on the Closing Date (being 22 May 2009).

Credit rating

As at the date of this Investment Statement, the PIE Capital Securities are expected to be assigned a long-term credit rating of Aa2 from Moody's (obligations rated Aa are judged to be of high quality and are subject to very low credit risk²) and AA- from Standard & Poor's (an obligation rated AA- differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong). A description of the credit ratings assigned to the PIE Capital Securities is available from the credit rating agencies' websites: www.moody.com and www.standardandpoors.com. A credit rating is not a recommendation to invest in the PIE Capital Securities and may be subject to revision, suspension or withdrawal at any time. Rabobank Nederland, the promoter of this Offer and parent company of Rabo Capital Securities Limited, is part of the Rabobank Group which has the highest credit ratings awarded by international rating agencies Moody's (Aaa since 1986, last confirmed in 2008) and

Standard & Poor's (AAA since 1985, last confirmed in 2008), refer to *Part 3 - Corporate profile* under heading *Description of the Business of the Rabobank Group*.

Use of funds and description of Underlying Securities to be issued by Rabobank Nederland

The funds raised by the Offer of the PIE Capital Securities will be used by the Issuer to subscribe for interest-bearing unsecured perpetual, non-cumulative subordinated bonds to be issued by Rabobank Nederland ("**Underlying Securities**"). Proceeds will be used in the Rabobank Group. In certain circumstances, described on page 12 under the heading *Exchange Events*, the PIE Capital Securities may become exchangeable for the Underlying Securities. The Underlying Securities will be denominated in New Zealand dollars and will have terms conforming substantially to the terms of the PIE Capital Securities, other than as more fully described on page 14 under the heading *Terms of Underlying Securities*.

Tier 1 Regulatory Capital

The PIE Capital Securities and the Underlying Securities will constitute Tier 1 Capital of Rabobank Nederland for the purposes of the Dutch Central Bank, which is the home prudential authority for Rabobank Nederland, and the proceeds of their issue will be used for the general corporate purposes of the Rabobank Group. Tier 1 Capital is the core measure of a bank's financial strength from a regulator's point of view. It consists of the types of capital considered the most reliable and liquid, primarily equity. Examples of Tier 1 Capital are common stock and equivalents thereof, preferred stock and similar instruments that are non-cumulative, and retained earnings.

² Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Source of dividends and other payments on the PIE Capital Securities

The Issuer is a special purpose company incorporated by Rabobank Nederland in order to issue the PIE Capital Securities. The source of the funds to make payments of the periodic Dividend Amounts due to the Holders and of the Redemption Amount of the PIE Capital Securities is the interest and principal amount payable on the Underlying Securities held by the Issuer. The obligations to pay interest and principal on the Underlying Securities are direct unsecured and subordinated obligations of Rabobank Nederland. The Underlying Securities terms are more fully described on page 14 under the heading *Terms of Underlying Securities*.

Status and subordination

The PIE Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer as described on page 59 under the heading *What are my risks?* and in Condition 4.

Portfolio Investment Entity implications

The Issuer will be and is expected to remain a Portfolio Listed Company for New Zealand income tax purposes. As a Portfolio Listed Company natural person Holders and Holders who are trustees (other than trustees of a unit trust) are not required to include Dividend Amounts in their income tax return. This means that the effective tax rate for such Holders on a 38% or 33% marginal tax rate will be capped at the corporate tax rate (currently 30%). For more information about the tax treatment of the Issuer and the return on the PIE Capital Securities please refer to Part 5 of this Investment Statement. Example tax calculations for investors on differing marginal tax rates are outlined on page 67 under the heading *Tax*

treatment of Holders. Applicants should obtain their own tax advice in relation to the New Zealand tax implications of acquiring, holding or disposing of the PIE Capital Securities.

Dividend Rate

The PIE Capital Securities carry the right to quarterly dividends calculated by reference to the Dividend Rate. The Dividend Rate used to calculate the Dividend Amount on the PIE Capital Securities will be as follows:

- (a) For the first five years (until 18 June 2014): the Initial Rate, which is equal to the greater of:
 - (i) the Minimum Initial Rate, which is 8% per annum; and
 - (ii) the sum of the Margin and the Benchmark Rate.
- (b) For the subsequent five years from 18 June 2014 until 18 June 2019 the sum of the Margin and the Benchmark Rate on 18 June 2014.
- (c) Thereafter (from 18 June 2019): the Floating Rate, which is equal to the sum of the Margin and the 3-month Bank Bill Rate, which is reset quarterly.

The Margin will be a percentage rate per annum determined by the Issuer in consultation with the Joint Lead Managers prior to the Issue Date and will not subsequently change. The Margin will be advised by NZX announcement. At this stage, this is intended for 29 April 2009.

The Dividend Rate for the period to 18 June 2014 will be set on 25 May 2009 and separately advised by NZX announcement. The Dividend Rate for this period will not be less than 8% per annum.

The Joint Lead Managers, your NZX or other financial adviser can also notify you of the Margin or Dividend Rate once they have been determined.

Dividend Amount

The Dividend Amount is the amount of cash payable to Holders on the relevant Dividend Payment Date.

The Dividend Amount payable in respect of the first Dividend Payment will be calculated using the actual number of days elapsed in the period from the Issue Date to (but not including) the first Dividend Payment Date divided by 365 (Actual/365 Fixed). Thereafter, the Dividend Amount payable on each PIE Capital Security for each Dividend Period (other than for the first Dividend Payment) up to 18 June 2019 is calculated in accordance with the following formula:

$$\frac{\text{Face Value} \times \text{Dividend Rate} \times (1-t)}{4}$$

Where "t" is the weighted average basic rate of New Zealand corporate income tax expressed as a percentage applicable to the Issuer (currently 30%) during the period ending on the relevant Dividend Payment Date.

As an example, if the Dividend Rate was 8% per annum the quarterly Dividend Amount for PIE Capital Securities with a face value of \$5,000 would be calculated as follows:

Face Value	\$5,000.00
Multiplied by Dividend Rate	8% per annum
	\$400.00
Multiplied by (1-t) (t being .30)	0.70
	\$280.00
Divided by:	4
Quarterly Cash Dividend:	\$70.00
Maximum Imputation Credits:	\$30.00

The Dividend Amount payable on each PIE Capital Security for each Dividend Period after 18 June 2019 will then be calculated in accordance with the following formula:

$$\frac{\text{Face Value} \times \text{Dividend Rate} \times (1-t) \times \text{actual number of days in the Dividend Period}}{365}$$

365

Imputation Credits

The Issuer will attach imputation credits to Dividend Amounts to the extent permitted by the imputation credits that the directors of the Issuer determine are available. It is expected that dividends will have imputation credits fully attached to a Dividend Amount (30/70th of the Dividend Amount assuming a corporate tax rate of 30%). If the Issuer does not fully impute a Dividend Amount, this may trigger an Exchange Event and the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed. Alternatively, the Issuer may, at its discretion, put in place an arrangement to reimburse Holders who are adversely affected by the dividends not being fully imputed.

A fuller description of the Dividend Rates and Dividend Amounts which apply to the PIE Capital Securities, how they are determined, and when they apply is set out on page 53 under the heading *What returns will I get?*

Payment of Dividend Amount

Whether or not Dividend Amounts will be payable on a Dividend Payment Date depends on whether, at the relevant time:

- the Issuer is required by the PIE Conditions to pay Dividend Amounts;
- the Issuer is prohibited by the PIE Conditions from paying Dividend Amounts; or
- the Issuer has a discretion under the PIE Conditions as to whether or not to pay Dividend Amounts.

The Underlying Securities issued by Rabobank

Nederland will be subject to equivalent conditions in relation to the payment of interest on those securities. The circumstances in which the Issuer is required to pay Dividend Amounts, is prohibited from paying Dividend Amounts, or has a discretion to pay Dividend Amounts, are described on page 53 under the heading *What returns will I get?*

If Dividend Amounts are payable on the PIE Capital Securities, they will be paid to the person registered as the Holder on the relevant Record Date (including in relation to the first Dividend Amount payable).

If Dividend Amounts are not payable, those Dividend Amounts will not accumulate or compound and Holders of the PIE Capital Securities will have no right to receive those Dividend Amounts at any time, even if Dividend Amounts are subsequently paid in the future.

Redemption

The PIE Capital Securities are perpetual securities which have no scheduled repayment date. However, the Issuer has the option to redeem the PIE Capital Securities in certain circumstances (including from the First Call Date (18 June 2019)), and has undertaken to exercise its option to redeem the PIE Capital Securities on the Conditional Call Date (18 June 2039). The ability of the Issuer to redeem the PIE Capital Securities, including on a Conditional Call Date, is subject to the Issuer satisfying certain conditions. These conditions, and the circumstances in which the Issuer is entitled to redeem the PIE Capital Securities, are described on page 53 under the heading *What returns will I get?* If the PIE Capital Securities are redeemed, Holders will receive the Face Value principal amount of \$1.00 per PIE Capital Security plus any accrued and unpaid Dividend Amount for the Dividend Period during which redemption occurs to the date of redemption.

Holders of PIE Capital Securities have no ability to require the Issuer to redeem their PIE Capital Securities.

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

- (a) if the Issuer exercises its right to redeem or purchase the PIE Capital Securities;
- (b) if permitted by the Issuer following an Exchange Event (as set out in PIE Conditions 8 and 10 which provides the Issuer with the ability to either redeem or exchange the PIE Capital Securities into Underlying Securities at its discretion); or
- (c) by selling their PIE Capital Securities on the NZDX Market.

Exchange Events

On the occurrence of certain events (each an “Exchange Event”) the PIE Capital Securities may, at the option of the Issuer, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed. The Exchange Events are:

- (a) if the Dutch Central Bank requires that all PIE Capital Securities must be issued directly by Rabobank Nederland; or
- (b) an Insolvency Event in relation to the Issuer or Rabobank Nederland; or
- (c) a default by the Issuer for more than 30 days in the payment of Dividend Amounts or Redemption Amounts (other than relating to an administrative error) in respect of any of the PIE Capital Securities; or
- (d) any of the following events that the Issuer determines in its absolute discretion is an Exchange Event;
 - (i) an Increased Costs Event; or
 - (ii) any Tax Law Change which has or is expected to have the effect that the anticipated tax outcomes for the Issuer or for Holders as at the Issue Date are adversely affected (as determined by the Issuer); or

- (iii) the Issuer does not impute a Dividend Amount at the maximum imputation ratio under the Tax Act and an arrangement is not in place, or in the Issuer's opinion is not expected to be in place, within 90 Business Days of the relevant Dividend Payment Date to fully reimburse Holders who are adversely affected; or
- (iv) the New Zealand Inland Revenue Department has indicated that it will not provide or renew a satisfactory binding ruling or rulings (as determined by the Issuer) confirming the anticipated tax implications of the transaction for the Issuer and the Holders.

Upon the occurrence of an Exchange Event, Holders of the PIE Capital Securities may, at the option of the Issuer, receive Underlying Securities in a principal amount equal to the Redemption Amount of each Holder's PIE Capital Securities at the relevant time or have their PIE Capital Securities redeemed. Prior to the distribution to Holders of the Underlying Securities or redemption, any Outstanding Amounts and any surplus amounts (after accounting for the Outstanding Amounts and the distribution of the Underlying Securities) held by the Issuer will be paid out pro rata to Holders.

The Underlying Securities Conditions are set out in full in Appendix B to the Prospectus and tax information in relation to an Exchange Event, a redemption and the Underlying Securities is set out in Part 5 of this Investment Statement.

Voting rights

The PIE Capital Securities carry no voting rights in respect of the Issuer other than in relation to amendments to the PIE Conditions.

No guarantee

The PIE Capital Securities are direct, unsecured and

subordinated obligations of the Issuer and are not guaranteed by Rabobank Nederland, any other member of the Rabobank Group, the Security Trustee or any other person. If an Exchange Event occurs (as described on page 12), the PIE Capital Securities may, at the discretion of the Issuer, exchange into Underlying Securities or be redeemed. The Underlying Securities are direct, unsecured and subordinated obligations of Rabobank Nederland.

How to apply

Payments and applications for PIE Capital Securities are to be sent or delivered by 12:00 noon on the Closing Date (being 22 May 2009) to Computershare Investor Services Limited, (by post) Private Bag 92119, Auckland 1142; or (by hand) Level 2, 159 Hurstmere Road, Takapuna, North Shore City.

Applications for PIE Capital Securities may also be submitted to any of the Joint Lead Managers, Primary Market Participants, the Organising Participant or any other channel approved by NZX in time for the application to be forwarded to the Registrar prior to 12:00 noon on the Closing Date (being 22 May 2009).

Further instructions on how to apply for the PIE Capital Securities are contained on page 51 under the heading *How much do I pay?* and on the Application Form attached at the back of this Investment Statement.

Minimum application

The minimum application amount in respect of the PIE Capital Securities is \$5,000 and thereafter in \$1,000 increments. The maximum number of PIE Capital Securities that applicants can apply for is limited by the requirements of the PIE regime ("**Maximum PIE Holding**") so as to ensure that Rabo Capital Securities Limited retains its status as a PIE and qualifies as a Portfolio Listed Company. Generally, no Holder (together with associates of that Holder who hold 5%

or more of the PIE Capital Securities) may hold more than 20% of the PIE Capital Securities that are issued (although Holders who are other PIEs or fall within a narrow class of other specified entities may hold a greater percentage (but not 40% or more) of the PIE Capital Securities that are issued).

Early bird interest

Rabobank Nederland will pay interest at the Official Cash Rate on application money received in respect of accepted applications for PIE Capital Securities from (and including) the date the cheque is banked until (but excluding) the Issue Date. Such interest (less any applicable withholding tax) will be paid to successful applicants within five Business Days after the Issue Date and will be paid into the bank account nominated by such applicants on the Application Form.

Further issues of PIE Capital Securities

The Issuer may from time to time without the consent of the Holders create and issue further instruments ranking *pari passu* in all respects with the PIE Capital Securities so that such further issue shall be consolidated and form a single series with the outstanding PIE Capital Securities or a new series.

NZDX listing and quotation

Application has been made to NZX for permission to list the PIE Capital Securities and all the requirements of NZX relating thereto that can be complied with on or before the date of this Investment Statement have been duly complied with. However, NZX accepts no responsibility for any statement in this Investment Statement.

NZX rulings and waivers

Although the PIE Capital Securities are equity securities for the purposes of the Securities Act 1978 and the Tax Act, NZX has given a ruling that the PIE Capital Securities will be listed on the NZDX Market and will be treated as Debt Securities for the purposes of the Listing Rules.

NZX has provided a waiver in respect of the inclusion of provisions in the Constitution restricting the issue, acquisition or transfer of PIE Capital Securities that would result in a holding of less than \$5,000 of PIE Capital Securities.

NZX has also provided a waiver in respect of the inclusion of provisions in the Constitution relating to the Maximum PIE Holding, in particular Condition 3 which relates to transfers of PIE Capital Securities.

The Issuer has been given a Non Standard designation by NZX as a consequence of the Constitution incorporating provisions relating to the Maximum PIE Holding.

Form and title

The PIE Capital Securities will be issued in registered book entry form. No certificates of title in respect of the PIE Capital Securities will be issued to Holders. Title to the PIE Capital Securities passes by transfer and registration as described in Condition 3. The Issuer and the Registrar will rely on the Register for the purpose of determining entitlements to dividend payments on each Dividend Payment Date, and for the repayment of the Redemption Amount of the PIE Capital Securities if and when they are redeemed.

Terms of Underlying Securities

The funds raised by the Offer of the PIE Capital Securities will be used by the Issuer to subscribe for Underlying Securities issued by Rabobank

Nederland. In certain circumstances, described on page 12 under the heading Exchange Events, the PIE Capital Securities may become exchangeable for the Underlying Securities. The Underlying Securities will be denominated in New Zealand dollars and will have terms conforming substantially to the terms of the PIE Capital Securities, other than that:

- the Underlying Securities will be bonds paying interest rather than shares paying imputed dividends (which interest may be suspended in the same circumstances as for suspension of Dividend Amounts on the PIE Capital Securities);
- the Underlying Securities are not exchangeable for any other securities;
- the Underlying Securities are issued to Rabo Capital Securities Limited and may not be transferred to any person other than to, or at the order of, the Security Trustee after the occurrence of an Exchange Event as described in Part 4 below (there are no exchange events for the Underlying Securities);
- the terms of the Underlying Securities are set out in the Schedule to the Agency Agreement and Appendix B to the Prospectus, while the terms of the PIE Capital Securities are contained in the Issuer's Constitution, which is set out in Appendix A to the Prospectus; and
- the PIE Capital Securities will be issued by Rabo Capital Securities Limited so that New Zealand resident investors will be able to obtain the benefits of the PIE tax regime, as described in Part 5 of this Investment Statement. If any of the Exchange Events occur, the PIE Capital Securities may be exchanged for the Underlying Securities. The PIE tax treatment described in Part 5 of this Investment Statement applies only to the PIE Capital Securities and will not apply to any holding of the Underlying Securities.

Other than for differences in terminology and other mechanical differences noted above, the PIE

Conditions and the Underlying Securities Conditions are substantially the same:

- The returns (Dividend Amount and interest, respectively) will be set by reference to the same Margin and base rates, but the PIE Capital Securities have a Dividend Amount defined according to the taxation of the Issuer, as described in Part 4 under the heading *What returns do I get?*
- The periods by which the relevant returns will be calculated and the dates on which those returns are to be paid are the same.
- The conditions as to resetting of the fixed rate base rate and switching from fixed to floating rates are substantially the same.
- The circumstances in which the payment of the relevant returns are required, discretionary or prohibited are determined in accordance with the same criteria, as described in Part 4 under the heading *What returns do I get?*
- The PIE Capital Securities and the Underlying Securities are similarly ranked and subordinated (the PIE Capital Securities exchange into Underlying Securities on the insolvency of the Issuer).

PART 3

Corporate profile

The issuer and Rabobank Nederland

The Issuer of the PIE Capital Securities is Rabo Capital Securities Limited, a wholly-owned subsidiary of Rabobank Nederland incorporated in New Zealand. Rabobank Nederland is the issuer of the Underlying Securities to be held by Rabo Capital Securities Limited and is the promoter of the Offer.

The Issuer will be a Portfolio Listed Company under the PIE tax rules (please refer to Part 5 of this Investment Statement for more information about the tax treatment of the PIE Capital Securities). The Issuer has no activities other than those necessary or incidental to issuing the PIE Capital Securities, holding the Underlying Securities and otherwise complying with its obligations at law and under the transaction documents in relation to the offer of PIE Capital Securities.

Rabobank Nederland and the Rabobank group structure

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

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares. As of July 1, 2008, after amendment of the articles of association approved by the General Meeting on 19 June 2008, the total number of outstanding shares is 2,004,015 of € 1,000 each, thus increasing the fully paid up share capital of Rabobank Nederland from € 638 million to more than € 2 billion.

On the basis of a prescribed allocation formula, which included taking into account the total balance sheet position, Tier I capital and commercial profits of each local Rabobank, these shares were distributed to the members.

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

Traditionally, an important task of Rabobank Nederland has always been its function as bankers' bank. Another major task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance,

the entering into collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*) (Netherlands). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the local Rabobanks and is the holding company of various subsidiaries.

The local Rabobanks are organised as cooperative entities under Dutch law and draw all of their members from their customers. Through mergers, the number of local Rabobanks has decreased from 188 at December 31, 2006, to 174 at December 31, 2007, to 153 at December 31, 2008. At December 31, 2008, the local Rabobanks had approximately 1,707,000 members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

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

Internal liability (cross-guarantee system)

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

it to fulfil those obligations. Participating entities within the Rabobank Group are:

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

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

403 Declaration

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

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

Rabobank Nederland's central bank activities

Capital adequacy and liquidity

The cross-guarantee system operates in concert with the regulatory and administrative oversight of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank (*De Nederlandsche Bank*) on a consolidated basis, based on article 3:111 of the Financial Supervision Act (Netherlands), Rabobank Nederland has the responsibility for ensuring compliance by the local

Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by the issue of shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such local Rabobank's authority to make lending decisions within the Rabobank Group's lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks.

Supervision on market conduct

Pursuant to Section 2:105 of the Financial Supervision Act (Netherlands), Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, the supervision by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act (Netherlands) is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks.

Rabobank New Zealand branch

In April 1996, Rabobank Nederland was granted a banking authority to engage in banking on a branch basis in New Zealand. The branch Rabobank Nederland established is generally referred to as Rabobank New Zealand Branch. The Reserve Bank of New Zealand is responsible for the registration and supervision of banks in New Zealand. These powers and responsibilities are set out in Part 5 of the Reserve Bank of New Zealand Act 1989. As a registered bank, Rabobank Nederland falls under the Reserve Bank of New Zealand's supervision and, amongst other obligations, must prepare the General Disclosure Statements (which are referenced in this Investment Statement) in accordance with section 81 of the Reserve Bank of New Zealand Act 1989 and the accompanying Registered Bank Disclosure Statement (Full and Half-Year - Overseas Incorporated Registered Banks) Order 2007 and Registered Bank Disclosure Statement (Full and Half-Year - Overseas Incorporated Registered Banks) Order 2008 Amendment Order 2008.

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

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

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

Description of business of the Rabobank Group

General

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

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981; obligors rated AAA are judged to have an extremely strong capacity to meet their financial commitments) and Moody's (Aaa since 1981; obligors rated Aaa are judged to have the smallest degree of risk). In terms of Tier I capital, Rabobank Group is among the world's twenty largest financial institutions.

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

and corporate, offering a comprehensive package of financial services.

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

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

At December 31, 2008, the Rabobank Group had total assets of € 612.1 billion (total liabilities of € 578.7 billion), private sector loan portfolio of € 408.6 billion (appearing as an asset on the consolidated balance sheet), amounts due to customers of € 304.2 billion and saving deposits of € 114.7 billion (appearing as liabilities on the consolidated balance sheet) and equity of € 33.5 billion. Of the private sector loan portfolio, € 194.0 billion, virtually all of which are mortgages, consists of loans to private individuals, € 146.3 billion of loans to the trade, industry and

services sector and € 68.3 billion of loans to the food and agriculture sector. At December 31, 2008, the Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 12.7%. For the year ended December 31, 2008, the efficiency ratio was 65.3%, the return on equity, or net profit expressed as a percentage of core capital, was 9.7%. For the year ended December 31, 2008, the Rabobank Group realised a 2% rise in net profit to € 2.8 billion and a RAROC or the risk-weighted return on capital, of 12.5% after tax. At December 31, 2008, the Rabobank Group had 60,568 full-time employees.

Recent developments

Rabobank and Rothschild establish global food and agri co-operation

As from 1 January 2009 Rabobank International Holding B.V. and Rothschild entered into a co-operation agreement in the field of Mergers and Acquisitions and Equity Capital Markets advisory in the food and agriculture sectors on a global basis. Rothschild and the Rabobank Group both have strong global food and agriculture advisory franchises in mergers and acquisitions. Under the agreement both firms will pool their respective industry knowledge, resources and relationships while expanding their respective geographic reach and client base through an enhanced breadth of services. In order to strengthen the relationship between the two parties, The Rabobank Group also acquired a 7.5% stake in Rothschild's Continuation Holdings (RCH) and a Rabobank representative joined the RCH Board.

Eureko

On February 16, 2009, Eureko (refer description under the heading *Participations* on page 28) announced that, following consultations with its shareholders the Rabobank Group and Achmea Association, it will increase its capital by € 1 billion. This measure is intended to increase Eureko's solvency to more prudent levels. The Rabobank Group is contributing

€ 400 million to the capital injection, however this will not increase the Rabobank Group's relative ownership stake in Eureko.

Issue of Capital Securities

On July 14, 2008, Rabobank Nederland issued ILS 323 million Perpetual Non-Cumulative Capital Securities. On September 24, 2008, Rabobank Nederland issued USD 225 million Perpetual Non-Cumulative Capital Securities. On 27 February, 2009, Rabobank Nederland issued € 500 million Perpetual Non-Cumulative Capital Securities.

Strategy of Rabobank Group

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

Strategy principles

In order to ensure its distinguishing cooperative identity, the Rabobank Group, as a large, independent bank, aims to play a part in the European process of consolidation that is expected for the future. To the Rabobank Group as a cooperative, the client's interest is a guiding principle, and Rabobank Group's structure and way of working are focused accordingly. Through their influence and control, members enforce discipline on the cooperative.

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. The diversification within the Group benefits its financial stability. Its broad range of knowledge and expertise results in innovation and synergy benefits. Market leadership remains important to Rabobank Group, but not at the expense of unhealthy margins, for it must never lose sight of its cooperative mandate.

International growth is necessary because opportunities for growth in the domestic market are set to gradually level out. Moreover, food and agriculture is an attractive niche because of Rabobank Group's global knowledge on food and agriculture, which it owes to its agricultural roots. Rabobank International will expand its activities in sustainable energy and clean technology.

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

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

Strategy adjustment

At the end of 2008 and in connection with the change in circumstances, adjustment proposals for a revised Strategic Framework covering the period 2009-2012 were brought up for discussion within Rabobank Group.

As a result of the change in market conditions, Rabobank Group is putting greater emphasis on sound balance sheet ratios. Growth in lending largely depends on growth in amounts due to customers. It is important that both the local Rabobanks and Rabobank International provide for a significant part of their own funding. Expansion of the activities of

subsidiaries will be aligned with the volume of funding available at Rabobank Group.

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

Rabobank Group wishes to develop further as a cooperative. The Rabobank 2010 programme will enable local Rabobanks to respond to the changing clients' wishes. At the same time, the programme introduces an optimised servicing model and produces cost reductions from standardisation. In order to maintain their market leadership, the local Rabobanks must operate at competitive rates.

Rabobank International will focus more on Rabobank Group's core activities. In the Netherlands, this means supporting the ambition to be the largest corporate bank. Abroad, Rabobank International is to focus more on food and agriculture. In addition, Rabobank International will expand its activities in the areas of sustainable energy and clean technology. The business entity Global Financial Markets will confine itself to client-related activities and liquidity management; other activities will be phased out. Rabo Development will gradually increase the number of minority interests in partner banks having a food and agriculture focus in developing countries. Abroad, the Rabobank Foundation will focus on countries where Rabobank International and/or Rabo Development operate.

The subsidiaries likewise will focus more on supporting the realisation of Rabobank Group's core objectives, i.e. all-finance market leadership in the domestic market and building up a distinct position as the world's pre-eminent food and agriculture bank. Other important

main functions of the subsidiaries and participations of the Rabobank Group continue to be the leveraging of specialisations and the achievement of sound financial returns.

Strategic core objectives

The strategic core objectives of the Rabobank Group are:

- to achieve all-finance market leadership in the Netherlands;
- to strengthen its position as the leading international food and agriculture bank;
- further growth of, and greater synergies with, its subsidiaries.

Strategy domestic retail banking

The adjustment of the Strategic Framework confirms that Rabobank Group pursues market leadership in the Netherlands as an all-finance service provider. This market leadership strategy also includes roles for mortgage provider Obvion as well as for Bizner (both described under the heading *Domestic Retail Banking* on page 24), the corporate Internet bank. By increasing its focus on the corporate market, Rabobank Group aims to be the largest corporate bank. In addition, it has expressed its ambitions for growth in the market for private banking. As a result of a stronger focus on sound balance sheet ratios, the local Rabobanks will be financing a large proportion of their growth in lending from amounts due to customers. The implementation of the Rabobank 2010 programme is another important element in the adjusted strategy.

Strategy wholesale banking and international retail banking

Rabobank Group aims to be the pre-eminent global food and agriculture bank, with a focus on renewable energy and clean technology. Rabobank International intends to address this further and to broaden and deepen its product range for the food and agriculture market. Global Financial Markets will focus on client-

related activities and liquidity management. Other activities will be phased out and its services will be tailored more to core clients. Rabobank International intends to strengthen the international retail banking activities further, while giving priority to existing major agricultural focus areas in Australia, Brazil, California and Poland. Renewable energy and clean technology will receive greater attention through project finance and venture capital.

Strategy asset management and investment

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

Strategy leasing

De Lage Landen (refer description under the heading *Leasing, De Lage Landen International B.V.* on page 27) offers finance solutions world-wide for producers and distributors of capital assets. Athlon Car Lease is looking into opportunities for up scaling in Europe. De Lage Landen serves Rabobank Group's clients with a broad package of lease and factoring products. De Lage Landen aims to strengthen Rabobank Group's position in the Dutch market for consumer credits by granting consumer credits through the local Rabobanks and the Freo label.

Strategy real estate

Rabo Real Estate Group operates in three core businesses: developing, finance and investing. Its target is to maintain and strengthen its leading position in the Dutch market for owner-occupied houses and commercial real estate. In addition, Rabo

Real Estate Group intends to maintain and, where possible, expand its solid position in the Dutch real estate finance market. Within Rabobank Group, Rabo Real Estate Group is the centre of expertise on real estate investments. Leveraging Rabobank Group's distribution power and growing its knowledge of real estate management will contribute to growth in assets under management. The development of owner-occupied houses and of real estate development, as well as real estate finance and investment will be defined further in selected countries.

Business Activities of the Rabobank Group

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

Domestic Retail Banking

The domestic retail banking business comprises the local Rabobanks, Obvion and Bizner. The 153 independent local Rabobanks have over 1,100 branches and operate more than 3,100 cash dispensing machines. In the Netherlands Rabobank Group is the largest mortgage bank, savings bank and insurance agent. It is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers and it is the largest mortgage lender in this field in the Netherlands. Bizner is an internet bank where businesses can handle their own banking transactions online. For the year ended December 31, 2008, domestic retail banking operations accounted for 55%, or € 6,401 million, of Rabobank Group's total income and 59%, or € 1,617 million, of Rabobank Group's net profit. At December 31, 2008, Rabobank Group's domestic retail banking operations employed 28,953 FTEs.

Local Rabobanks

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

Obvion N.V.

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

Rabohypotheekbank N.V.

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage lending documentation services to all of the local Rabobanks and is owned 100% by Rabobank Nederland.

Rabohypotheekbank also served 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

Rabobank Group

9.5 million clients

1.7 million members

153 local Rabobanks

Rabobank Nederland

Support of local Rabobank

- Private individuals
- Small and medium-sized enterprises
- Private banking
- Other support units

Rabobank International

- Food and Agri
- Wholesale banking
- International retail banking

Rabobank Group functions

- Corporate Social Responsibility
- Investor Relations
- Long Term Funding
- Other staff units

Labels

Asset management

- Robeco
- Schretlen & Co
- Sarasin
- IRIS
- Obay

Leasing

- De Lage Landen
- Athlon
- Freo
- Crediarn

Real estate

- Rabo Real Estate Group
- Bouwfonds Property Development
- MAB Development
- FGH Bank
- Bouwfonds REIM
- Fondsenbeheer Nederland

Insurance

- Eureko (39%)
- Interpolis

Housing

- Obvion
- Moviq
- Zoekallehuizen.nl

Business

- Bizner
- Rembrandt F & O

The local Rabobanks and their members make up the core of the banking business. They are the cooperative's key stakeholders. Being the central (legal) entity, Rabobank Nederland is in the centre of the organisation chart. In the Netherlands, Rabobank Nederland facilitates the local Rabobanks, including the development of new products and marketing support. It performs support functions for the local Rabobanks and for Rabobank Group as a whole, including Shared Services & Facilities, Group ICT and Cooperative & Management, Corporate Social Responsibility, Investor Relations, Long Term Funding, Human Resources, Legal and Tax Affairs, Knowledge & Economic Research and Communications. Finally, Rabobank International, with its expertise, serves a large number of corporate and retail clients all over the world. The bottom part of the diagram of the organisation describes the chief labels within the Rabobank Group operating in the various markets under their own brands.

of real estate development. At December 31, 2008, Rabohypotheekbank had assets of € 11.9 billion.

Wholesale and International Retail Banking

Rabobank International

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agriculture sector. Rabobank International is a division of Rabobank Nederland and has branches in 27 countries. Its activities are subdivided into the

following regions: Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand, and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Structured Finance, Leveraged Finance, Renewable Energy & Infrastructure Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. Besides customer-focused activities, Global Financial Markets handles the trade in money market products for the day-to-day management of the

liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Leveraged Finance is involved in financing acquisitions by private equity companies. It is a major player in the agricultural market. Structured Finance offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves clients that operate the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland and New Zealand.

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

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

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

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

Asset Management and Investment

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

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

Robeco Groep N.V.

Robeco was founded in Rotterdam in 1929. It provides investment products and services to approximately 700 institutional and approximately 1.5 million private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-income investments, money market and real estate funds, sustainable and socially responsible

investments, as well as alternative investments, including private equity, hedge funds and structured products. In addition to its home markets in the Netherlands and the United States, Robeco operates in Europe, Asia and the Middle East.

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

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

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

Schretlen & Co. N.V.

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

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

Bank Sarasin & Cie S.A.

Sarasin, a Swiss private bank was founded in 1841. Its shares are listed at the Swiss stock exchange SWX. Rabobank Group has, by holding 'normal' shares and shares with voting rights, a 46% shareholding in Sarasin and a voting share of 69%. The Sarasin Group is an international service provider, with a focus on sustainability. It is represented in 13 countries in Europe, the Middle East and Asia. Sarasin offers a high level of services and expertise as an investment advisor and asset manager for high net-worth private individuals and institutional.

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

Leasing, De Lage Landen International B.V.

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

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

At December 31, 2008, De Lage Landen had a

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

Real Estate, Rabo Vastgoedgroep N.V.

Rabobank Group's private and corporate Real Estate activities are performed by Rabo Real Estate Group (Rabo Vastgoedgroep). This real estate enterprise focuses on three core businesses: the development of owner occupied houses and commercial real estate, finance and asset management. In these markets, Rabo Real Estate Group operates under the brands Bouwfonds Property Development, MAB Development, FGH Bank and Bouwfonds REIM. Rabo Real Estate Group operates mainly in the Benelux countries, Germany and France. Rabobank Nederland owns a 100% equity interest in Rabo Real Estate Group.

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

Participations

Eureko B.V.

Rabobank Group has a 39% interest in Eureko, an international provider of financial services in the area of insurance with some 25,000 full-time employees. Achmea, which is part of Eureko, is the largest insurance group in the Dutch domestic market, with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekerings and Zilveren Kruis Achmea. In the Netherlands, Eureko serves a broad customer base of private individuals

as well as government and corporate clients. Abroad, Eureko operates in twelve European countries. Rabobank Group and Eureko work closely together in the area of insurance. The greater part of the insurance products sold by local Rabobanks is from Interpolis. It concerns a broad range of non-life, health and life insurance policies for both private individuals and enterprises. With more than a million private individuals and several hundreds of thousands of enterprises as clients, Interpolis is one of the major players in the Dutch insurance market. Interpolis is market leader in the agricultural sector.

Competition

The Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, increased competition among banks in the Netherlands significantly. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and private savings.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. Rabobank Group has a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 60%. Historically, mortgage lending has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in the Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in

the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for the Rabobank Group.

In 2008 several large commercial banks and financial institutions in the Netherlands, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. This may influence the competition in the Netherlands. For 2009 we expect the fierce competition in the Dutch savings market to continue.

Employees

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

For the year ended December 31, 2008, the rate of absenteeism was 3.8% and Rabobank Group's employee satisfaction score was 86%. At December 31, 2008, the Rabobank Group employed 60,568 FTEs.

Market shares in the Netherlands

Residential mortgages: For the year ended December 31, 2008, the Rabobank Group had a market share of

30% of new home mortgages in the Dutch mortgage market (23.6% by local Rabobanks and 6.0% by Obvion; source: Dutch Land Registry Office (*Kadaster*)). The Rabobank Group is the largest mortgage lending institution in the Netherlands.

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

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

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

The foregoing percentages in this paragraph should be read as percentages of the relevant Dutch market as a whole.

Properties

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

buildings used in the normal course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Management believes that the Rabobank Group's facilities are adequate for its present needs in all material respects.

Corporate Social Responsibility

One of the cornerstones of the Rabobank Group Strategic Framework is a high quality policy for corporate social responsibility. Within this scope, Rabobank Group continued to develop their CSR policy and activities in 2008. Four central themes were defined for the CSR activities of the Rabobank Group that come with specific performance indicators. Making clear CSR choices, defining themes and all such related matters bolster Rabobank Group's stability and boost their cooperative profile.

Legal proceedings

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

Insurance

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

Selected Financial Information

The following selected financial data are derived from the audited consolidated financial statements of the Rabobank Group, which have been audited by Ernst & Young Accountants LLP, independent auditors. The data should be read in conjunction with the consolidated financial statements, related notes and the 'Management's Discussion and Analysis of Financial Condition and Results of Operations' included in this Offering Circular. The Rabobank Group audited consolidated financial statements for the year ended December 31, 2008 and 2007 have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

Consolidated balance sheet

At December 31

(in millions of euros)	2008	2007
ASSETS		
Cash and cash equivalents	7,105	2,129
Due from other banks	33,776	43,218
Trading financial assets	11,576	29,179
Other financial assets at fair value through profit and loss	7,896	18,133
Derivative financial instruments	66,759	26,089
Loans to customers	426,283	372,968
Available-for-sale financial assets	31,665	50,355
Held-to-maturity financial assets	497	859
Investments in associates	3,455	4,558
Intangible assets	3,728	3,183
Property and equipment	5,870	5,572
Investment properties	1,038	1,105
Current tax credits	298	419
Deferred tax assets	1,619	1,577
Other assets	10,555	11,159
Total assets	612,120	570,491

As at December 31

(in millions of euros)	2008	2007
LIABILITIES		
Due to other banks	23,891	46,332
Due to customers	304,214	276,610
Debt securities in issue	135,779	141,812
Derivative financial instruments and other trading liabilities	77,230	31,097
Other debts	8,644	10,518
Other financial liabilities at fair value through profit and loss	24,797	27,303
Provisions	875	1,167
Current tax liabilities	227	202
Deferred tax liabilities	474	851
Employee benefits	371	896
Subordinated debt	2,159	2,294
Total liabilities	578,661	539,082
EQUITY		
Equity of Rabobank Nederland and local Rabobanks	20,074	19,684
Rabobank Membership Certificates issued by group companies	6,236	6,233
	26,310	25,917
Capital Securities and Trust Preferred Securities III-VI	3,510	2,779
Minority interests	3,639	2,713
Total equity	33,459	31,409
Total equity and liabilities	612,120	570,491

Consolidated profit and loss account

Year ended December 31

(in millions of euros)	2008	2007
Interest income	27,245	29,356
Interest expense	18,728	22,585
Interest	8,517	6,771
Fee and commission income	3,400	3,394
Fee and commission expense	511	537
Fees and commission	2,889	2,857
Income from associates	(26)	753
Net income from non-trading financial assets and liabilities at fair value through profit and loss	(1,155)	(515)
Gains on available-for-sale financial assets	(51)	64
Other	1,478	1,092
Income	11,652	11,022
Staff costs	4,290	4,400
Other administrative expenses	2,796	2,779
Depreciation and amortisation	525	484
Operating expenses	7,611	7,663
Value adjustments	1,189	266
Operating profit before taxation	2,852	3,093
Taxation	98	397
Net profit for the year	2,754	2,696
Of which attributable to Rabobank Nederland and local Rabobanks	2,089	1,971
Of which attributable to holders of Rabobank Member Certificates	316	299
Of which attributable to Capital Securities	94	17
Of which attributable to Trust Preferred Securities III to VI	100	106
Of which attributable to minority interests	155	303
Net profit for the year	2,754	2,696
Additional financial ratios:		
	2008	2007
BIS ratio ¹	13.0%	10.9%
Tier I ratio	12.7%	10.7%
(Impairment losses in basis points of average lending)	31	8

¹ NOTE: These figures have been based on the Basel II requirements with effect from 2008.

Governance of the Rabobank Group

Corporate governance

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

Cross-guarantee system

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

Supervisory Board

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

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

The members of the Supervisory Board are appointed by the General Meeting on the recommendation of the Supervisory Board. The independence of the individual members is an important consideration in this respect. The Confidentiality Committee of the Central Delegates Assembly determines the remuneration of the members of the Supervisory Board and has a say in the profile of the members of the Supervisory Board.

The Supervisory Board annually assesses its own performance, in terms of the collective body's performance and that of its individual members. Initiatives are developed regularly in order to keep the members of the Supervisory Board up-to-date on developments in the institutional and legal environment in which the bank operates and on risk

management systems. The Supervisory Board has five committees: the Cooperative Issues Committee, the Audit & Compliance Committee, the Appointment Committee, the Remuneration Committee and the Appeals Committee.

Executive Board

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

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

The members of the Executive Board are appointed by the Supervisory Board for a four year period, but their contracts of employment are for an indefinite period. They may be dismissed and suspended by the

Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Confidentiality Committee of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

Supervisory Board of Rabobank Nederland

Lense (L.) Koopmans: Emeritus Professor of Economics at the University of Groningen. Chairman of the Board of Directors of the KIWA (certification) Stichting TBI, which wholly owns TBI Holdings (building and engineering). Chairman of the Supervisory Board of Cordares N.V. (social security). Chairman of the Supervisory Board of Siers Group B.V. (infrastructure). Chairman of the Supervisory Board of Arriva Nederland B.V. (regional transport). Member of the Supervisory Board of Nuon N.V. (electricity). Member of the Supervisory Board of Huntsman Holland B.V. (chemical industry). Member of the Supervisory Board of Stichting TNO (Research). Member of the Board of the Stichting Administratiekantoor Unilever N.V. Member of the Supervisory Board of Eureko B.V. (financial services). Member of the Board of Supervision of University Medical Centre, Groningen. Chairman of the Board of Supervision of Fries Museum and Prinsessehof.

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

Bernard (B.) Bijvoet: Chairman of the Supervisory

Supervisory Board of Rabobank Nederland

Name	Born	Year Appointed ¹	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2009	Dutch
Leo (L.J.M.) Berndsén	1942	2002	2009	Dutch
Bernard (B.) Bijvoet	1940	2002	2008	Dutch
Sjoerd (S.E.) Eisma	1949	2002	2008	Dutch
Louise (L.O.) Fresco	1952	2006	2010	Dutch
Marinus (M.) Minderhoud	1946	2002	2011	Dutch
Paul (P.F.M.) Overmars	1945	2005	2008	Dutch
Herman (H.C.) Scheffer	1948	2002	2010	Dutch
Martin (M.J.M.) Tielen	1942	2002	2009	Dutch
Aad (A.W.) Veenman	1947	2002	2010	Dutch
Cees (C.P.) Veerman	1949	2007	2011	Dutch
Antoon (A.J.A.M.) Vermeer	1949	2002	2010	Dutch
Arnold (A.H.C.M.) Walravens	1940	2004	2011	Dutch

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

Board of De Eik B.V. (grocery). Chairman of the Supervisory Board of AH Kaascentrale B.V. (dairy). Member of the Supervisory Board of Essent N.V. (electricity). Acting member of the Board of Directors of Vereniging Achmea.

Sjoerd (S.E.) Eisma: Member of the bar in The Hague, partner at De Brauw Blackstone Westbroek N.V. Deputy Judge at the court of law in The Hague. Chairman of the Supervisory Board of HAL Holding N.V. (investment company). Vice Chairman of the Supervisory Board of Grontmij N.V. Member of the Board of Directors of Directors of HAL pension fund. Member of the Board of Directors of the Anton Philips Fund. Member of the Board of Stichting Steve Reich. Member of the Capital Market Committee of the Netherlands Authority for the Financial Markets. Member of the Board of the Securities Law Association. Professor in the University of Amsterdam. Staff Member of the Dutch Lawyer's

Magazine. Member of the Advisory Council of Sunsmile Trading/Sunsmile de Mozambique. Member of the Board of the Stichting Willem-Alexander Kinderfonds. Member of the Board of Stichting Haags Kinderatelier. Member of the Board of Stichting of Holland Financial Centre. Chairman of the Board of Supervision of the School of Expressive Art, Music and Dance.

Louise (L.O.) Fresco: Distinguished Professor University of Wageningen. Professor of the University of Amsterdam. Member Committee of Recommendation University Asylumfund. Member of the Spanish Academy of Engineer Sciences. Member of the Swedish Academy of Agricultural and Forestry Sciences. University in Tokyo. Member of the Deira Committee. Member of the Board of Supervision of the United Nations.

Marinus (M.) Minderhoud: Chairman of the Board of Directors of Vodafone International Holdings B.V. (telecom). Chairman of Vodafone Europe B.V. Member of the Supervisory Board of Heembouw Groep B.V. Vice Chairman of the Supervisory Board of Eureko B.V. Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V.

Paul (P.F.M.) Overmars: Member of the Supervisory Board of Eureko B.V. Member of the Board of Directors of Vereniging Achmea. Chairman of the Board of Supervision of the Stichting Cultuurhistorisch Genootschap Duin- en Bollenstreek.

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

Martin (M.J.M.) Tielen: Emeritus Professor at the University of Utrecht. Member of the Executive Board and Treasurer of the International Society for Animal Hygiene (ISAH). Chairman of the Stichting Stimulerend Agrarisch Onderwijs en Praktijk. Chairman of the Stichting Professor Tielen Fonds. Member of the Board of Directors of Vereniging Achmea.

Aad (A.W.) Veenman: Chairman of the Supervisory Board of N.V. Nederlandse Spoorwegen N.V. (Dutch railways). Chairman of the Supervisory Board of Koninklijke Ten Cate N.V. (textile). Member of the Supervisory Board of Tennet B.V. (electricity). Chairman of the Board of Supervision of ICT Regie. Chairman of the Advisory Board of the National Aviation & Space Travel Laboratory. Member of the Supervisory Board of

the ECN (Dutch Energy Research Centre).

Cees (C.P.) Veerman: Chief Executive Officer of Bracamonte B.V. in Groesbeek. Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective. Member of the Supervisory Board of Stichting STAK and MERITA, Chairman of the Board of Knowledge for Climate (research project). Chairman of the Delta Committee. Chairman of the Society for the Preservation of Nature Reserves in the Netherlands.

Antoon (A.J.A.M.) Vermeer: Chairman of the Board of Directors of the Southern Agriculture and Horticulture Organisation (ZLTO). Member of the Maatschap Melkveehouderijbedrijf (dairy farming partnership). Member of the Board of Governors of the ZLTO Food, Farming and Agri Business Chair, Tilburg University. Member Supervisory Board Eureka B.V. Chairman of the Agricultural Innovation Agency (Landbouw Innovatie Bureau, LIB) for the Province of North Brabant. Chairman of the Board of Supervision of the Historische en Archeologische Stichting (HAS), Vice-Chairman of the Federation Committee of LTO Nederland. Chairman of the Supervisory Board of VION N.V.

Arnold (A.H.C.M.) Walravens: Chairman of the Supervisory Board of Eureko B.V. Chairman of the Supervisory Board of Achmea Re Luxembourg. Member of the Supervisory Board of OWM Molest-risico W.A. (insurance). Vice Chairman of Executive Committee of Vereniging Achmea. Chairman of the Supervisory Board of Sneep Industries B.V. (applied technology). Member of the Supervisory Board of Tauw (infrastructure consultancy). Director of MBA Studies and Member of the Senate of International Executive Development Center, Bled, Slovenia. Chairman of the Supervisory Board of Wolters Kluwer Nederland B.V. (multi-media publisher). Chairman of the Board of Directors of MBA Studies, Slovenia. Director/Owner "Aan de Oude Delft", Art and Auction Services.

Executive Board of Rabobank Nederland

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

Bert (H.) Heemskerk: Mr. Heemskerk was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 December 2002. As per 18 June 2009 Mr. Heemskerk's position of chairman will be filled by Mr. Moerland. Mr. Heemskerk was previously the Chairman of the Executive Board of F. van Lanschot Bankiers N.V. from 1991 to 2002. Before moving to F. van Lanschot Bankiers N.V., Mr. Heemskerk worked at AMRO Bank/ABN AMRO for more than 20 years, serving as Director General Netherlands for ABN AMRO Netherlands from 1988 to 1991. Mr. Heemskerk holds several positions outside of Rabobank Nederland's Executive Board, including, among others, member of the Board of the Stock Exchange Association, member of the Advisory and Recommending Committee Leaders for Nature Initiative, member of the Board of Supervisory Directors Koninklijke Boskalis Westminster N.V. and member of the Board of Supervisory Directors of VADO Beheer B.V.

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

Director Rabobank Group (1998-2004). As CFO he fulfils several additional functions. He also works as a part time professor in the Twente University of Technology (Financial Institutions and Markets). He is a member of the Advisory Council of Isala Klinieken and of the Board of Supervisory Directors ROVA. Member of the Dutch Banking Association Policy Committee of Supervision & Monetary Affairs and Member of the Policy Committee of the DNB/Dutch Banking Association Mixed Working Group.

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

Executive Committee European Association of Co-operative Banks (Groupement) and Chairman of the Board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten.

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

Piet (P.J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. As one of the two members of the Executive Board focused on the cooperative retail business, Mr. van Schijndel has responsibility for marketing, product development, market support for the local banks, private banking and Group ICT. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was

Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, Vice-Chairman of the Executive Board of Interpolis from 1990 to 1997 and Chairman of the Executive Board of Interpolis from 1998 to 2002. Mr. van Schijndel serves as Chairman of the Supervisory Boards of Obvion and Rabohypotheekbank, Chairman of the Supervisory Board of De Lage Landen International and Chairman of the Supervisory Board of Rabo Mobiel. Furthermore, Mr. van Schijndel is a Member of the Board of Directors of the NVB (Association of Dutch Banks). Member of the Board of the Nederlandse Rode Kruis. Member of the Supervisory Board of St. Elisabeth Ziekenhuis Tilburg. Chairman of the Supervisory Board of Orbay.

Rabobank Nederland's Executive Board is to have two additional members from 1 July 2009: Gerlinde Silvis and Berry Marttin. Their appointment is conditional on screening by the supervisory authorities and advice of Rabobank Nederland's works council. Their respective portfolio's are not yet known.

Member influence

An important precondition for good corporate governance at Rabobank Nederland is an open culture with clear accountability for the management and supervision. Without transparency, Rabobank Nederland cannot render account to the local Rabobanks on its management and supervision, nor can this be assessed. The local Rabobanks are members of the Rabobank Nederland cooperative. This membership entails rights and obligations. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. In addition, the local Rabobanks are Rabobank Nederland's shareholders.

Central Delegates Assembly

As from 1 January 2007, the local Rabobanks are organised geographically in 12 regions. The Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*centrale kringvergadering*) (CKV). Through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, the members/clients of the local Rabobanks.

The General Meeting

The General Meeting (*algemene vergadering*) is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations, and the appointment of members of the Supervisory Board. The Central Delegates Assembly issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. The local Rabobanks have voting rights in the General Meeting in proportion to their size. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

Employee influence

A few years ago, the Group Works Council of Member Banks (GOR AB) was created as an employee representative body. It acts as a discussion partner to the manager on issues that concern the social policy of all local Rabobanks. The creation of the GOR AB does not affect the position of Rabobank Nederland's Works Council or the existing Works Councils of the local Rabobanks. As a result, they continue to act in full as

employee representative bodies within the meaning of the Works Councils Act.

Corporate governance of the local Rabobanks

Only banks that have a cooperative structure and whose Articles of Association have been approved by Rabobank Nederland can be members of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other.

Pursuant to the prudential supervision part of the Financial Supervision Act (Netherlands) and under Rabobank Nederland's Articles of Association and the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on (the integrity of) their operations, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act (Netherlands), Rabobank Nederland has been appointed by the Dutch Finance Ministry as the holder of a collective license that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

Management and supervision of the local Rabobanks

Two governance models are possible for the local Rabobanks. The introduction of a second governance model – the executive model – besides the existing partnership model was prompted at the time by the wish to respond to internal and external changes, for example, the ongoing scaling up process, a changing market, and increasing legislation and regulations. Both governance models focus on ensuring effective management as well as professional and independent supervision. The effectiveness of both models will be reviewed in 2009.

Since both governance models provide assurance of effective member influence and control, the governance of the local Rabobanks will continue to be carried out both adequately and professionally in the future, but also in a way that befits their cooperative character. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the Articles of Association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. In addition, account is rendered to the members in respect of the bank's management and supervision.

Partnership model

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

Executive model

In the executive model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. In this model, no board members are elected by the members from their ranks, as is the case in the partnership model.

Member council

Local Rabobanks using the executive model must institute a member council in order to firmly and permanently embed member influence and control in the structure. An increasing number of banks using the partnership model have established a member council as well. The member council is a delegation

of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

Corporate governance information on the Internet

Rabobank Group has placed information on its corporate governance and activities on its public Internet site, including a full explanation of the areas in which Rabobank Group deviates from the Dutch Corporate Governance Code. While Rabobank Group endorses the Code's principles and implements the majority of its elements, it does not implement a number of principles and best practice provisions on account of its cooperative structure.

Controls over financial reporting

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, for example, by endorsing the principles of the Dutch Corporate Governance Code. Rabobank Group seeks an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading risk management practices in the world.

Rabobank Group voluntarily assessed the internal controls over financial reporting in a manner similar to what US-registered companies have done pursuant to Section 404 of the United States Sarbanes-Oxley Act of 2002, even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight.

Rabobank Group believes that the review of its internal

controls over financial reporting has increased the effectiveness of those controls, including the ability to identify and to remediate any deficiencies at an earlier stage. This results in greater transparency for all stakeholders in the quality of Rabobank Group's financial reporting process. As a result of the Rabobank Group's review, Rabobank Group has identified areas to improve, simplify and standardise specific business processes.

Rabobank Group has established and maintains a comprehensive system of internal control measures designed to ensure transactions are executed as authorised, financial reporting is accurate and reliable, and assets are safeguarded.

Rabobank Group has implemented a process whereby finance and business executives throughout the Group assess and attest to the accuracy of financial information as well as the adequacy and effectiveness of internal control over financial reporting. Rabobank Group has adopted policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and that receipts and expenditures are made only in accordance with authorizations of management;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

The internal control framework for the organisation and control of Rabobank Group's activities is based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway

Commission (**COSO**). As set out in the report included in the financial statements, the Executive Board concluded that Rabobank Group's internal control over financial reporting is adequate and effective, consistent with the criteria established by COSO.

Risk management

The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and reserves. Both DNB and the bank itself have formulated standards concerning Rabobank's organisation and control.

Rabobank's organisation and control are subject to the Dutch Financial Supervision Act, including subordinate legislation based thereon, and regulations imposed by both DNB and the AFM as supervisory authorities. These legal requirements and supervisors' regulations form Rabobank Group's framework for the organisation and control of its activities. For further information, please refer to the relevant sections in this Offering Circular, and in particular to the section above on 'Controls over financial reporting', which addresses risks relating to financial reporting, and the 'Risk Management' chapter, which includes a description of control systems relating to the most important other risks identified by Rabobank Group.

Administrative, Management and Supervisory Bodies - conflicts of interests

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

Administrative, Management and Supervisory Bodies - business address

The business address of the members of the Supervisory Board and Executive Board is Croeselaan 18, 3521 CB, Utrecht, The Netherlands.

Regulation of the Rabobank Group

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*) (Netherlands), which entered into force on January 1, 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*Die Nederlandsche Bank*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union ('EU') directives which have a significant impact on the regulation of the Rabobank Group's banking, asset management and broker-dealer businesses in the EU and the regulation and control of local supervisory authorities of the various countries in which the Rabobank Group does business.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the Basel Committee) develops international capital adequacy guidelines based on the relationship between a bank's capital and its credit risks. In this context, on July 15, 1988, the Basel Committee adopted risk-based capital guidelines (the 'Basel guidelines'), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce an existing source of competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in

each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on January 1, 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

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

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank's actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks' internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgment and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks' public reporting.

Instead of the previous 'one size fits all' approach, under Basel II banks have the option to choose between various approaches, each with a different

level of sophistication in risk management, ranging from simple via intermediate to advanced, giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the 'Standardised Approach', the 'Foundation Internal Ratings Based Approach' and the 'Advanced Internal Ratings Based Approach'. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the 'Probability of Default'. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the 'Exposure at Default' and the 'Loss Given Default'. The Rabobank Group has chosen the most sophisticated approach, the 'Advanced Internal Ratings Based Approach'.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the Advanced Measurement Approach. The Rabobank Group has chosen for the 'Advanced Measurement Approach'.

European Union Standards

The European Community had adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of April 17, 1989 on the 'own funds' of credit institutions (the 'Own Funds Directive'), defining qualifying capital ('own funds'), and the Council Directive of December 18, 1989 on a capital base ratio for credit institutions (the 'Capital Base Ratio Directive' and, together with the Own Funds Directive, the 'Capital Directives'), setting forth

the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required EU member states to transform the provisions of the Capital Base Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The Capital Directives permitted EU member states, when transforming the Capital Directives into national law, to establish more stringent requirements, but not more lenient requirements. In 1993, the EC adopted the Directive of March 15, 1995 on the capital adequacy of investment firms and credit institutions ('EEC Directive 1993/6') and in 2000 the Directive of March 20, 2000 on the taking up and pursuit of the Business of Credit Institutions ('EC Directive 2000/12'), which directive consolidated various previous directives, including the Capital Directives.

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

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

- I ensure that a financial conglomerate has adequate capital;

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

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

Dutch Regulation

General

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

Pursuant to authority granted under the Financial Supervision Act (Netherlands), the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of the Rabobank Group's activities. The Netherlands Authority for the Financial Markets supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act (Netherlands).

Scope of the Financial Supervision Act (Netherlands)

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

Licensing

Under the Financial Supervision Act (Netherlands), a bank established in the Netherlands is required to obtain a licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the bank must have a minimum equity (*eigen vermogen*) of € 5,000,000. Also, the Dutch Central Bank shall refuse to grant a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank, (ii) the trustworthiness of the persons who determine the policy of the bank is not beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining it.

Reporting and investigation

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a balance

sheet and a profit and loss statement that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports.

The Rabobank Group's independent auditors audit these reports annually.

Supervision

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

Solvency supervision

The regulations of the Dutch Central Bank on solvency supervision require - in broad terms - that a bank maintains own funds in an amount equal to at least 8 % of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Financial Supervision Act (Netherlands), the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under 'Basel Standards' above and as laid down in EU directives described above under 'European Union Standards'. For credit risk Rabobank uses the advanced approach. For operational risk Rabobank uses the most refined approach, the Advanced Measurement Approach.

Liquidity supervision

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the

bank. The basic principle of the liquidity regulations is that liquid assets must be held against 'net' liabilities of banks (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limit.

Structure supervision

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

an interest of at least 10% of the issued share capital or voting rights in an enterprise, or a similar form of control.

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

Administrative supervision

The Dutch Central Bank also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

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

Capitalisation of the Rabobank Group

The following table sets forth in summary form the Group's consolidated own funds and consolidated medium and long-term debt securities at December 31, 2008 and at December 31, 2007:

(in millions of euros)	At December 31	
	2008	2007
Equity of Rabobank Nederland and local Rabobanks		
Retained earnings and other reserves	20,074	19,650
Rabobank Member Certificates issued by a group company	6,236	6,233
Capital Securities and Trust Preferred Securities III to VI	3,510	2,779
Minority interests	3,639	2,713
Total equity	33,459	31,375
Subordinated debt	2,159	2,294
Debt securities in issue*	135,779	141,812
Total capitalisation	171,397	175,481
Breakdown of reserves and retained earnings		
Revaluation reserves for available-for-sale financial assets	(898)	489
Other reserves	(332)	38
Retained earnings	21,304	19,157
Total reserves and retained earnings	20,074	19,684

* NOTE: Debt securities in issue includes short-term debt and long-term debt. At December 31, 2008, and at December 31, 2007, The Rabobank Group had short-term debt amounting to € 55,385 million and € 58,440 million respectively. At December 31, 2008, and at December 31, 2007, The Rabobank Group had long-term debt amounting to € 80,394 million and € 83,372million respectively.

There has been no material change in the capitalisation of the Rabobank Group since December 31, 2008.

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PART 4

Answers to key questions

The purpose of this section of this Investment Statement is to provide certain key information that is likely to assist a prudential but non-expert person to decide whether or not to subscribe for PIE Capital Securities under the Offer. Applicants should note that other important information about the Offer is set out in the registered Prospectus and in the Security Trust Deed.

1. What sort of investment is this?

Description of the PIE Capital Securities

The PIE Capital Securities are perpetual non-cumulative non-voting preference shares to be issued by Rabo Capital Securities Limited, the Issuer. The PIE Capital Securities are direct, unsecured and subordinated obligations of the Issuer.

The offer

The Issuer is offering up to \$200 million of PIE Capital Securities with the ability to accept oversubscriptions for additional PIE Capital Securities. The maximum amount of oversubscriptions which may be accepted by the Issuer is unlimited and will be determined at the Issuer's discretion. The offer is available to institutions and to members of the public who may participate in the offer through a Primary Market Participant or via the public pool.

There is no pool of PIE Capital Securities reserved for any class of applicant other than members of the public.

2. Who is involved in providing it for me?

Issuer

The Issuer is Rabo Capital Securities Limited, level 12, 80 The Terrace, Wellington, a wholly-owned subsidiary of Rabobank Nederland, and is incorporated in New Zealand with company number 2221873. The Issuer will be a Portfolio Listed Company under the PIE tax rules (please refer to Part 5 of this Investment Statement for more information about the tax treatment of the Issuer and the returns on the PIE Capital Securities).

The promoter of the PIE Capital Securities, and the issuer of the Underlying Securities to be held by the Issuer, is Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland). Rabobank Nederland's registered office in New Zealand is located at Level 20, 80 The Terrace, Wellington. Rabobank Nederland is registered as an overseas company under the Companies Act 1993 and is a registered bank under the Reserve Bank of New Zealand Act 1989. The directors of Rabobank Nederland are Bert (H.) Heemskerk (Chairman), Bert (A.) Bruggink, Piet (P.W.) Moerland, Spiko (S.N.) Schat and Piet (P.J.A.) van Schiindel and can be contacted through Rabobank Nederland's registered office.

Rabobank Nederland has a long-term credit rating in respect of its long term indebtedness of AAA from Standard & Poor's and Aaa from Moody's as at the date of this Investment Statement. The PIE Capital Securities are expected to be assigned a rating of AA- from Standard & Poor's and Aa2 from Moody's. A credit rating is not a recommendation to invest in the PIE Capital Securities and may be subject to revision, suspension or withdrawal at any time.

Description of the Issuer's and Rabobank Nederland's activities

The Issuer was incorporated on 15 April 2009 and since the date of incorporation has been involved in entering into the arrangements under which the PIE Capital Securities will be issued. The Issuer has no activities other than those necessary or incidental to issuing the PIE Capital Securities, holding the Underlying Securities and otherwise complying with its obligations at law and under the transaction documents in relation to the offer of PIE Capital Securities. Under its constitution the Issuer is restricted from undertaking any other activities.

The Netherlands-based Rabobank Nederland is one of the 25 largest banking institutions in the world in terms of assets and Tier 1 capital (according to *The Banker* magazine, July 2008 <http://www.thebanker.com>) and is one of Europe's most recognised financial institutions. It has been operating as Rabobank Nederland since 1970 with the merger of the two largest banking cooperative entities in the Netherlands at that time and is the largest financial services provider in the Dutch market. A fuller description of Rabobank Nederland is set out above in *Part 3 - Corporate profile*.

Rabobank Nederland has been a registered bank under the Reserve Bank of New Zealand Act 1989 since April 1996. The Issuer is not a registered bank in New Zealand.

3. How much do I pay?

Issue price and minimum investment

The PIE Capital Securities have an issue price of \$1.00.

Subject to the Maximum PIE Holding, there is no limit on the maximum amount of PIE Capital Securities you may apply for.

Applications must be made on the Application Form contained at the back of this Investment Statement. The minimum application amount is \$5,000 of PIE Capital Securities and thereafter in \$1,000 increments. Applications and accompanying cheques must be received by the Registrar, Computershare Investor Services Limited, by 12:00 noon on the Closing Date (being 22 May 2009).

Applicants accepting an allocation from a Primary Market Participant need to lodge their completed Application Form with the offices of that Primary Market Participant in time for it to be forwarded to the Registrar before 12:00 noon on the Closing Date (being 22 May 2009).

Payments

Applicants who are members of the Austraclear System, or who are able to have payments made on their behalf through the Austraclear System, may settle their applications for PIE Capital Securities on the Issue Date through the Austraclear System. Applicants who are not members of the Austraclear System or Austraclear members who wish to settle their applications prior to the Issue Date, must pay for the PIE Capital Securities applied for by a personal cheque or, if the application is for PIE Capital Securities of an aggregate principal amount of \$500,000 or more, by bank cheque or other method acceptable to the Joint Lead Managers. Cheques should be in New Zealand dollars drawn on a New Zealand branch of a financial institution and submitted with the completed application form. Cheques should be made payable to "Rabo Capital Offer" and crossed "Not Transferable" and must not be post-dated.

Where to send your Application Form and payment

Cheques should be delivered or sent, together with the Application Form, to:

Postal address:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142

Physical Address:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
North Shore City

Applications for PIE Capital Securities may also be lodged with any Primary Market Participant, any of the Joint Lead Managers, the Organising Participant or any other channel approved by NZX. Applications must be sent or delivered in time to enable the application to be forwarded to the Registrar for receipt by 12:00 noon on the Closing Date (being 22 May 2009).

Early bird interest

Rabobank Nederland will pay interest at the Official Cash Rate on application money received in respect of accepted applications for PIE Capital Securities from (and including) the date the cheque is banked or the application is settled through the Austraclear System until (but excluding) the Issue Date. Such interest (less any applicable withholding tax) will be paid to successful applicants within 5 Business Days after the Issue Date and will be paid into the bank account nominated by such applicants on the Application Form.

Applications

The Issuer reserves the right to refuse all or any part of any application without giving a reason including (but without limitation) where an applicant has not provided account details for payments by direct credit.

Any application money received in respect of an application which is not accepted by the Issuer, whether because of late receipt or otherwise, will be returned (without interest) to the applicant as soon

as reasonably practicable after the Issuer decides not to accept the application and, in any event, within 14 calendar days of the Closing Date.

If the Issuer accepts an application in part, the balance of the application money (without interest) will be refunded as soon as reasonably practicable and, in any event, within 14 calendar days of the Closing Date.

Where an applicant's payment for PIE Capital Securities is dishonoured, the Issuer may forfeit any PIE Capital Securities issued to that applicant, and may pursue the defaulting applicant for damages suffered by the Issuer.

The Issuer intends to pay brokerage to Primary Market Participants in respect of applications for PIE Capital Securities. This will not affect your return on the PIE Capital Securities.

Applications cannot be withdrawn or revoked.

No cooling off

There is no cooling off period during which an investor can cancel his or her investment in PIE Capital Securities.

4. What are the charges?

Other than the amount payable on application on account of the Issue Price, applicants pay no fees or charges to invest in the PIE Capital Securities.

Primary Market Participants and approved financial intermediaries will receive a firm brokerage fee from Rabobank Nederland of 1.25% of the Issue Price in respect of PIE Capital Securities allotted pursuant to firm applications submitted by applicants bearing their stamp.

Primary Market Participants and approved financial intermediaries will receive a brokerage fee from

Rabobank Nederland of 0.75% of the Issue Price in respect of PIE Capital Securities allotted other than pursuant to firm allocations submitted by applicants bearing their stamp.

However, applicants may have to pay a brokerage fee or commission to the person who recommends the investment or arranges the application. Brokerage is also likely to be payable on the transfer of any PIE Capital Securities effected through a Primary Market Participant.

5. What returns will I get?

Overview

The information set out in this section should be read in conjunction with the information set out on page 59 under the heading *What are my risks?* Certain events could reduce or eliminate the returns intended to be derived from holding the PIE Capital Securities.

Dividend Rate used to calculate the Dividend Amount

The PIE Capital Securities carry the right to quarterly dividends calculated by reference to the Dividend Rate. The Dividend Rate used to calculate the Dividend Amount on the PIE Capital Securities will be as follows:

Annual Dividend Rate	
First 5 years (to 18 June 2014)	Greater of: <ul style="list-style-type: none">• Minimum Initial Rate of 8%; and• Margin + Benchmark Rate on 25 May 2009
Subsequent 5 years (to 18 June 2019)	Margin + Benchmark Rate on 18 June 2014
Thereafter until redeemed	Margin + 3-month Bank Bill Rate, reset quarterly.

The Benchmark Rate and the Bank Bill Rate are

described in more detail in the PIE Conditions.

The Margin will be a percentage rate per annum determined by the Issuer in consultation with the Joint Lead Managers prior to the Issue Date and will not subsequently change. The Margin will be advised by NZX announcement. At this stage, this is intended for 29 April 2009.

The Dividend Rate for the period to 18 June 2014 will be set on 25 May 2009 and separately advised by NZX announcement. Your financial adviser can also notify you of the Margin or Dividend Rate once they have been determined.

Dividend Amount

The Dividend Amount is the amount of cash payable to Holders on the relevant Dividend Payment Date. The Dividend Amount payable in respect of the first Dividend Payment will be calculated using the actual number of days elapsed in the period from the Issue Date to (but not including) the first Dividend Payment Date divided by 365 (Actual/365 Fixed). Thereafter, the Dividend Amount payable on each PIE Capital Security for each Dividend Period (other than for the first Dividend Payment) up to 18 June 2019 is calculated in accordance with the following formula:

$$\frac{\text{Face Value} \times \text{Dividend Rate} \times (1-t)}{4}$$

Where "t" is the weighted average basic rate of New Zealand income tax expressed as a percentage applicable to the Issuer (currently 30%) during the period ending on the relevant Dividend Payment Date.

As an example, if the Dividend Rate was 8% the quarterly Dividend Amount for PIE Capital Securities before 18 June 2019 with a face value of \$5,000 would be calculated as follows:

Face Value	\$5,000.00
Multiplied by Dividend Rate	8% per annum
	\$400.00
Multiplied by (1-t) (t being .30)	0.70
	\$280.00
Divided by:	4
Quarterly Cash Dividend:	\$70.00
Maximum Imputation Credits:	\$30.00

The Dividend Amount payable on each PIE Capital Security for each Dividend Period after 18 June 2019 will then be calculated in accordance with the following formula:

$$\frac{\text{Face Value} \times \text{Dividend Rate} \times (1-t) \times \text{actual number of days in the Dividend Period}}{365}$$

Imputation Credits

The Issuer will attach imputation credits to Dividend Amounts to the extent permitted by the imputation credits that the directors of the Issuer determine are available. It is expected that dividends will have imputation credits fully attached to a Dividend Amount (30/70th of the Dividend Amount assuming a corporate tax rate of 30%). If the Issuer does not fully impute a Dividend Amount this may trigger an Exchange Event and the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed. Alternatively, the Issuer may, at its discretion, put in place an arrangement to reimburse Holders who are adversely affected by the dividends not being fully imputed.

Dividend Payments

Dividend Amounts are scheduled to be paid on the PIE Capital Securities quarterly in arrears on each Dividend

Payment Date in cash. However, dividends may not necessarily be paid on the PIE Capital Securities on each Dividend Payment Date. The Issuer's obligation to pay dividends on the PIE Capital Securities on any Dividend Payment Date will depend on which of the following categories those dividends fall:

- (a) *Required Dividends* - dividends that the Issuer must pay in full or in part, unless they are Prohibited Dividends;
- (b) *Prohibited Dividends* - dividends that the Issuer must not pay under any circumstances; or
- (c) *Discretionary Dividends* - dividends that are neither Required Dividends nor Prohibited Dividends which the Issuer may pay at its discretion, subject to the approval of the Dutch Central Bank (if required).

Required Dividends

Dividend Amounts scheduled for payment on a particular Dividend Payment Date will be Required Dividends payable in full, as described in Condition 6(a), if Rabobank Nederland or any other member of the Rabobank Group:

- (i) declares or pays a dividend or distribution or makes any other payment covering an annual or semi-annual period with respect to certain securities which rank junior to the PIE Capital Securities; or
- (ii) exchanges or converts, redeems, repurchases or otherwise acquires certain securities which rank junior to the PIE Capital Securities.

Dividend Amounts scheduled for payment on a particular Dividend Payment Date will be Required Dividends payable in part or in full if Rabobank Nederland or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment covering an unspecified period or a period other than an annual or semi-annual period with respect to certain securities which rank junior to the PIE Capital Securities.

Dividend Amounts scheduled for payment on a particular Dividend Payment Date will be Required Dividends payable on a pro rata basis if Rabobank Nederland or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment with respect to certain securities which rank equally with the PIE Capital Securities.

Prohibited Dividends

Dividend Amounts scheduled for payment on a particular Dividend Payment Date will be Prohibited Dividends to the extent that applicable Solvency Rules prohibit the Issuer, Rabobank Nederland or any other member of the Rabobank Group from declaring or paying dividends or distributions or making other payments on the PIE Capital Securities, the Underlying Securities or other securities ranking equal with, or junior to, the PIE Capital Securities or the Underlying Securities.

Discretionary Dividends

Dividend Amounts scheduled for payment on a particular Dividend Payment Date will be Discretionary Dividends if it is neither Required Dividends nor Prohibited Dividends.

Dividend Amounts Generally

If Dividend Amounts are payable on the PIE Capital Securities, they will be paid to the person registered as the Holder on the relevant Record Date.

If Dividend Amounts are not payable on a Dividend Payment Date, those dividends will not accumulate or compound and Holders of the PIE Capital Securities will have no right to receive those dividends at any time, even if dividends are subsequently paid in the future.

Redemption

Any redemption of PIE Capital Securities by the Issuer

is subject to Rabobank Nederland:

- (a) obtaining the prior written consent of the Dutch Central Bank (if required);
- (b) giving not less than 30, nor more than 60, calendar days' notice to holders of the Underlying Securities (being the Issuer) and the Registrar; and
- (c) both at the time of, and immediately following, the redemption being in compliance with its capital requirements as provided in the Solvency Rules.

If the Issuer exercises its right to redeem the PIE Capital Securities, it will redeem the PIE Capital Securities at their Redemption Amount (being the aggregate Face Value of the PIE Capital Securities held by any Holder).

The Issuer is entitled to redeem all (but not some only) of the PIE Capital Securities only in the following circumstances:

- (a) **Call option:** If it elects to redeem the PIE Capital Securities on the First Call Date (18 June 2019) or on any Dividend Payment Date thereafter.
- (b) **Redemption due to taxation:** If as a result of a tax law change (as defined in the Underlying Securities Conditions):
 - (i) there is more than an insubstantial risk that the Issuer will be required to pay "additional amounts" (as defined in the Underlying Securities Conditions) with respect to payments on the Underlying Securities; or
 - (ii) interest payable on the Underlying Securities when paid would not be deductible to Rabobank Nederland for Netherlands corporate income tax liability purposes,and the Issuer delivers to the Registrar a copy of an opinion of an independent, nationally recognised law firm or other tax adviser in the Netherlands experienced in such matters to the effect set out in (i), or as applicable, (ii) above.

- (c) **Redemption for regulatory purposes:** If the Dutch Central Bank notifies the Issuer that the PIE Capital Securities may not be included in consolidated Tier 1 Capital of the Rabobank Group.
- (d) **Redemption of Underlying Securities:** Where for any reason all, but not some only, of the Underlying Securities are redeemed pursuant to the Underlying Securities Conditions, all, but not some only, of the PIE Capital Securities will also be redeemed.
- (e) **Redemption on an Exchange Event:** Where an Exchange Event (as described below) has occurred and the Issuer elects to redeem in accordance with PIE Condition 10.

Prior to the payment of any Redemption Amount in accordance with (a), (b), (c), (d) or (e) above, any Outstanding Amounts and any surplus amounts (after accounting for any Redemption Amounts and any Outstanding Amounts held by the Issuer) will be paid out pro rata to Holders.

In addition, the Issuer, Rabobank Nederland or any other member of the Rabobank Group may, having obtained the prior consent of the Dutch Central Bank (if required) and in compliance with applicable Listing Rules and subject to the Maximum PIE Holding, at any time purchase any or all PIE Capital Securities in any manner and at any price whereupon such PIE Capital Securities will be cancelled.

Redemption on Conditional Call Date

Unless the PIE Capital Securities have previously been redeemed or purchased, the Issuer undertakes to exercise its option to redeem the PIE Capital Securities on the first Conditional Call Date (18 June 2039), subject to:

- (a) dividends on that Conditional Call Date being Required Dividends;

- (b) the prior approval of the Dutch Central Bank; and
- (c) the Issuer having raised (or caused to be raised by the Rabobank Group) the amount (if any) which it determines, in consultation with the Dutch Central Bank, is required to be raised through the issuance of securities that qualify as consolidated Tier 1 Capital of the Rabobank Group under the Solvency Rules to replace the PIE Capital Securities on or prior to their redemption.

Exchange Events

On the occurrence of certain events (each an “Exchange Event”) the PIE Capital Securities may, at the option of the Issuer, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed. The Exchange Events are:

- (a) if the Dutch Central Bank requires that all PIE Capital Securities must be issued directly by Rabobank Nederland; or
- (b) an Insolvency Event in relation to the Issuer or Rabobank Nederland; or
- (c) a default by the Issuer for more than 30 days in the payment of Dividend Amounts or Redemption Amounts (other than relating to an administrative error) in respect of any of the PIE Capital Securities; or
- (d) any of the following events that the Issuer determines in its absolute discretion is an Exchange Event;
 - (i) an Increased Costs Event; or
 - (ii) any Tax Law Change which has or is expected to have the effect that the anticipated tax outcomes for the Issuer or for Holders as at the Issue Date are adversely affected (as determined by the Issuer); or
 - (iii) the Issuer does not impute a Dividend Amount at the maximum imputation ratio under the

Tax Act and an arrangement is not in place, or in the Issuer's opinion is not expected to be in place, within 90 Business Days of the relevant Dividend Payment Date to fully reimburse Holders who are adversely affected; or

- (iv) the New Zealand Inland Revenue Department has indicated that it will not provide or renew a satisfactory binding ruling or rulings (as determined by the Issuer) confirming the anticipated tax implications of the transaction for the Issuer and the Holders.

Upon the occurrence of an Exchange Event, Holders of the PIE Capital Securities may, at the option of the Issuer, receive Underlying Securities in a principal amount equal to the Redemption Amount of each Holder's PIE Capital Securities at the relevant time or have their PIE Capital Securities redeemed. Prior to the distribution to Holders of the Underlying Securities or redemption, any Outstanding Amounts and any surplus amounts (after accounting for the Outstanding Amounts and the distribution of the Underlying Securities) held by the Issuer will be paid out pro rata to Holders.

The Underlying Securities Conditions are set out in full in Appendix B to the Prospectus and tax information in relation to an Exchange Event, a redemption and the Underlying Securities is set out in Part 5 of this Investment Statement.

Key factors that determine returns

The key factors that determine the returns on a Holder's investment are:

- the Dividend Rate used to calculate Dividend Amounts applicable to the PIE Capital Securities;
- whether the payment of Dividend Amounts by the Issuer is required, prohibited or discretionary;
- the extent to which Rabobank Nederland makes a

- profit (if any) from its operations;
- the Holder's marginal tax rate;
- whether the PIE Capital Securities are redeemed or exchanged into Underlying Securities;
- any applicable taxes;
- fluctuations in the price of the PIE Capital Securities if sold on the secondary market, as described under the heading *Transferring PIE Capital Securities* below; and
- the other risk factors described under the heading *What are my risks?* on page 59; and
- whether the Issuer retains its status as a Portfolio Listed Company.

It is not possible to quantify as at the date of this Investment Statement the exact amount of returns Holders will receive, and therefore no such amount can be promised by the Issuer.

Taxation of returns

The returns on the PIE Capital Securities may be affected by taxes. Please refer to Part 5 of this Investment Statement for a description of the taxation consequences for New Zealand resident investors in relation to the PIE Capital Securities.

No guarantee of returns

The Issuer is legally liable for paying you the returns on the PIE Capital Securities set out in this section. The returns are not guaranteed by Rabobank Nederland, any member of the Rabobank Group, the Security Trustee or any other person. If an Exchange Event occurs (as described on page 12), the PIE Capital Securities may, at the option of the Issuer, exchange into Underlying Securities or be redeemed. Rabobank Nederland is the person legally liable to pay the returns on the Underlying Securities.

Security Trustee

As detailed on page 50 under the heading *What sort of investment is this?*, the Underlying Securities are issued by Rabobank Nederland to the Issuer. In order to secure the Issuer's obligations under the PIE Conditions the Issuer has entered into a Security Trust Deed with the Security Trustee, Public Trust. Under the Security Trust Deed the Issuer grants a security interest over the Underlying Securities (and all associated distributions) in favour of the Security Trustee, who holds that security interest for the benefit of the holders of PIE Capital Securities, and the Security Trustee agrees to act at the direction of the holders of PIE Capital Securities. A copy of the Security Trust Deed is available free of charge from the Registrar and is also filed on a public register at the Companies Office of the Ministry of Economic Development and available for public inspection during normal business hours or may be inspected on the Ministry of Economic Development's website <http://www.companies.govt.nz>. A fee may be payable.

The rights of the Security Trustee to enforce the security interest under the Security Trust Deed are limited to the Underlying Securities. The Security Trustee is not entitled to enforce payment against, obtain any judgment for payment in respect of any breach of the Security Trust Deed by, or seek recovery against, the Issuer personally or against any other property of the Issuer.

The Security Trustee is not appointed under the Securities Act 1978. Accordingly, the Security Trustee assumes no obligations or responsibilities to the holders of PIE Capital Securities under that legislation.

Transferring PIE Capital Securities

If Holders transfer any PIE Capital Securities, the price obtained for them may differ from the amount paid to purchase them. This is because changes in market

interest rates can affect the market value of the PIE Capital Securities. For instance, if market rates go up, the market value of your PIE Capital Securities may go down and vice versa.

The same situation applies if an investor buys PIE Capital Securities from another person - the price paid for the PIE Capital Securities may differ from their original purchase price.

The proximity of a Dividend Amount payment to the date that a Holder sells their PIE Capital Securities can also affect the price obtained for them.

PIE Capital Securities may not be transferred if it results in the transferor or the transferee holding PIE Capital Securities the principal amount of which is less than \$5,000 in aggregate (unless the lesser amount is zero). The Issuer has broad powers to ensure the Issuer is eligible, or continues to be eligible, as a PIE and a Portfolio Listed Company, including refusing to register the transfer of any PIE Capital Securities (for example, where the transfer would cause the transferee to breach the Maximum PIE Holding).

The Issuer will not compensate Holders for any loss incurred if Holders choose to sell PIE Capital Securities.

Applicants should not attempt to sell PIE Capital Securities until they know whether, and how many, PIE Capital Securities have been issued to them. Each investor's holding will be advised soon after the Issue Date by the Registrar. All queries in the interim should be directed to the Registrar. Neither the Issuer, Rabobank Nederland, the Arranger, the Joint Lead Managers, the Organising Participant nor any of their respective directors or employees or any other person accepts any liability or responsibility should any applicant for PIE Capital Securities attempt to sell or otherwise deal with any PIE Capital Securities before receiving a statement recording the number of PIE Capital Securities (if any) issued to them.

6. What are my risks?

Loss of investment and/or expected returns

There is a risk of you not recovering the sum which you paid for the PIE Capital Securities and/or of you not receiving the returns described above in the section *What returns will I get?* as a result of the following:

Subordination and insolvency risk

The PIE Capital Securities are direct, unsecured and subordinated obligations of the Issuer, and the Underlying Securities from which the returns on the PIE Capital Securities are sourced are direct, unsecured and subordinated obligations of Rabobank Nederland. The PIE Capital Securities and the Underlying Securities are similarly ranked and subordinated. If the Issuer becomes insolvent, the PIE Capital Securities may, at the option of the Issuer, be exchanged for Underlying Securities or be redeemed, as further described on page 57. The subordination of the Underlying Securities means that in the event of Rabobank Nederland's bankruptcy, a Moratorium, or dissolution of Rabobank Nederland, Holders will not be entitled to any payment of the Redemption Amount of their PIE Capital Securities or any dividends, or to any payment of the principal amount of the Underlying Securities or any interest, until all Senior Creditors (including depositors and holders of unsubordinated debt) have been paid in full.

The most recent annual audited consolidated financial statements for the Rabobank Group (dated 31 December 2008) show the total value of the assets of the Rabobank Group at EUR 612,120 million (total liabilities EUR 578,661 million). The value of the assets of the Rabobank Group against which Senior Creditors (or other creditors that rank ahead of the PIE Capital Security Holders) will be able to claim in the event of the insolvency of the Rabobank Group will, therefore, be EUR 612,120 million. The value of the

remainder of the assets that will be available to all PIE Capital Security Holders (and to holders of equivalent securities that rank pari passu with the PIE Capital Securities being EUR 4,108 million plus EUR 500 million of Perpetual Non-Cumulative Capital Securities issued in February 2009) in the event of insolvency of the Rabobank Group will be EUR 33,459 million (total assets less total liabilities)³.

The PIE Conditions do not restrict the amount of unsubordinated debt ranking ahead of the Underlying Securities which Rabobank Nederland may incur.

Dividend payment risk

Dividend Amounts may not necessarily be paid on the PIE Capital Securities on each Dividend Payment Date. Whether or not Dividend Amounts will be payable on a Dividend Payment Date depends on whether, at the relevant time:

- (a) the Issuer is required by the PIE Conditions to pay Dividend Amounts;
- (b) the Issuer is prohibited by the PIE Conditions from paying Dividend Amounts; or
- (c) the Issuer has a discretion under the PIE Conditions as to whether or not to pay Dividend Amounts.

The circumstances in which the Issuer is required to pay Dividend Amounts, is prohibited from paying Dividend Amounts, or has a discretion to pay Dividend Amounts, are described on page 53 under the heading *What returns will I get?*

Transfer risk

If a Holder transfers their PIE Capital Securities before they are redeemed (as described in *What returns will I get?* above and *How do I cash in my investment?* below), the price at which they are able to sell their PIE Capital Securities may be less than the price paid for

them. This is because changes in the market interest rates and other factors can affect the market value of the PIE Capital Securities. For example, if market rates go up, the market value of the PIE Capital Securities may go down, and vice versa. The loss or gain is also, in part, a function of the effect of a change in underlying market interest rates on the value of your investment. PIE Capital Securities will 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 PIE Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Profit risk

The extent to which Rabobank Nederland makes a profit from its operations (if any) will affect whether the payment of interest on the Underlying Securities is required, prohibited or discretionary and accordingly whether payment of Dividend Amounts on the PIE Capital Securities is required, prohibited or discretionary, as described on page 53 under the heading *What returns will I get?*

Dutch law risk

As described on page 53 under the heading *What returns will I get?* the PIE Capital Securities may in certain circumstances, exchange into Underlying Securities. The Underlying Securities are constituted by the Underlying Securities Conditions under which Rabobank Nederland has submitted to the non-exclusive jurisdiction of the courts of Amsterdam, the Netherlands, in relation to the Underlying Securities. This means that any claim or dispute relating to the Underlying Securities Conditions will be determined in accordance with Netherlands law which will be different to New Zealand law.

³ There is uncertainty over the position of some assets upon the insolvency of the Rabobank Group; the figures shown are based on the most recent full annual audited consolidated financial statements for the Rabobank Group and the assumptions contained therein (available at http://www.rabobank.com/content/investor_relations/reports).

Enforceability risk

The promoter of the PIE Capital Securities and the issuer of the Underlying Securities, Rabobank Nederland, is incorporated under the laws of the Netherlands and has its centre of main interest in the Netherlands. Therefore, it may be more difficult for Holders to pursue their rights in the event of Rabobank Nederland's bankruptcy, a Moratorium or the dissolution of Rabobank Nederland than it would be if the promoter of the PIE Capital Securities were a New Zealand incorporated bank.

Liquidity risk

The PIE Capital Securities have no scheduled repayment date. This means that Holders of PIE Capital Securities have no ability to cash in their investment except:

- (a) if Rabobank exercises its rights to redeem or purchase the PIE Capital Securities;
- (b) if permitted following an Exchange Event; or
- (c) by selling their PIE Capital Securities on the NZDX Market.

Change of law

The PIE Conditions and the Underlying Securities Conditions are based on law in effect in the Netherlands and in New Zealand as at the date of this Investment Statement. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice, including any changes to the rules relating to PIEs under the Tax Act, after the date of this Investment Statement.

Tax risks

There is a risk that the after-tax returns for Holders may be reduced if the Issuer ceases to be a Portfolio Listed Company. The tax consequences of the Issuer ceasing to be a Portfolio Listed Company are described on

page 68 under the heading *Loss of Portfolio Listed Company status*.

The Issuer has applied for binding rulings from the New Zealand Inland Revenue Department confirming the anticipated tax implications of the transaction for the Issuer and for Holders. If the New Zealand Inland Revenue Department indicates that it will not provide or renew a satisfactory binding ruling or rulings, this may trigger an Exchange Event and the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed.

Liquidation

If Rabobank Nederland, as the promoter of the PIE Capital Securities and the issuer of the Underlying Securities, is placed in liquidation:

- PIE Capital Securities will be exchanged for the Underlying Securities;
- Holders may not recover all their principal investment or receive the expected returns;
- Holders will not be obliged to pay any more than their original investment in the PIE Capital Securities;
- Holders will not be entitled to any payment of principal or dividends on their PIE Capital Securities until all Senior Creditors have been paid in full as set out in Condition 4 of both the PIE Conditions and the Underlying Securities Conditions which relate to status and subordination of the Underlying Securities; and
- Holders' claims on the assets of Rabobank Nederland will thereafter rank as set out in Condition 4 of the Underlying Securities Conditions.

Risks to Rabobank Group's operations

At the date of this Investment Statement Rabobank Nederland has a long-term credit rating in respect of

its senior indebtedness of AAA from Standard & Poor's and Aaa from Moody's and the PIE Capital Securities are expected to be assigned long-term credit ratings of AA- by Standard & Poor's and Aa2 by Moody's. Credit ratings are not a recommendation to purchase, sell, or hold an investment.

Two important risk components to the Rabobank Group operations which will also, therefore, be risks to Holders are credit risk and interest rate risk.

Credit risk

Rabobank Group pursues a prudent screening policy for new customers, characterised by careful assessment of clients and their ability to make repayments. Rabobank Group grants loans only if it expects that a client can fully meet its payment commitments. Rabobank Group's portfolio is divided across a large number of business sectors. This creates a large and balanced risk spread, so that the quality of the financing portfolio does not significantly deteriorate if one or more business sectors go through a difficult period or in the event of an economic recession. Approval of larger financing applications is decided on by various committees, the level of the applicable committee depending on the amount of the requested financing. The Executive Board itself decides on the largest financing applications.

Interest rate risk

Interest rate risk is the risk, outside the trading environment, of deviations in interest income and/or the market value of capital as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for the liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of the assets, such as mortgages, which have longer interest rate fixation periods.

7. Can the investment be altered?

Once the Issuer has accepted your application, the PIE Capital Securities can only be altered by amendment to the PIE Conditions.

The Issuer and the Registrar may amend the PIE Conditions in any of the following cases:

- (a) without the consent of Holders where such amendment is of a minor or technical nature or is made to comply with applicable laws, including the Listing Rules and the rules relating to PIEs under the Tax Act or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner the Issuer and the Registrar may mutually deem necessary or desirable and which does not adversely affect the interests of the Holders; or
- (b) where it is authorised by an Extraordinary Resolution of Holders of all PIE Capital Securities.

8. How do I cash in my investment?

No scheduled repayment date

Holders are entitled to sell their PIE Capital Securities as set out in Condition 3 of the PIE Conditions and as described on page 58 under the sub-heading *Transferring PIE Capital Securities*. The Issuer considers that a secondary market for the PIE Capital Securities will develop over time as it has with similar securities of other issuers and the existing 2007 Capital Securities. However, the Issuer gives no assurances as to the existence or characteristics of any such secondary market.

Brokerage is likely to be payable by a Holder on any

transfer of PIE Capital Securities effected through a broker.

The PIE Capital Securities are perpetual securities which have no scheduled repayment date. However, the Issuer has the option to redeem the PIE Capital Securities in certain circumstances (including from the First Call Date (18 June 2019)), and the Issuer has undertaken to exercise its option to redeem the PIE Capital Securities on the first Conditional Call Date (18 June 2039) if not already redeemed or purchased. The ability of the Issuer to redeem the PIE Capital Securities, including on a Conditional Call Date, is subject to the Issuer satisfying certain conditions, as described in this Investment Statement on page 55 under the heading *Redemption*.

Holders of PIE Capital Securities have no ability to require the Issuer or any other member of the Rabobank Group to redeem their PIE Capital Securities.

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

- (a) if the Issuer exercises its right to redeem or purchase the PIE Capital Securities;
- (b) if permitted following an Exchange Event; or
- (c) by selling their PIE Capital Securities on the NZDX Market.

9. Who do I contact with enquiries about my investment?

Enquiries about the PIE Capital Securities can be directed to:

Manager of Client Services

Postal address:

Computershare Investor Services Limited

Private Bag 92119
Auckland 1142
New Zealand

Physical address:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
North Shore City

Telephone for investor enquiries: (09) 488 8777

Facsimile: (09) 488 8787

Email: enquiries@computershare.co.nz

There is no ombudsman to whom complaints about the PIE Capital Securities can be directed.

10. Is there anyone to whom I can complain if I have problems with the investment?

Any complaints about the PIE Capital Securities can be directed to:

Manager of Client Services

Postal address:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

Physical address:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
North Shore City

Telephone for investor enquiries: (09) 488 8777

Facsimile: (09) 488 8787

Email: enquiries@computershare.co.nz

11. What other information can I obtain about this investment?

This Investment Statement is intended only to provide a summary of the PIE Conditions relating to the issue of the PIE Capital Securities. The PIE Conditions are set out in full in the Constitution which is attached as Appendix A to the Prospectus. Further information:

- about the Issuer is available in the Prospectus for the Offer; and
- about Rabobank Nederland, the promoter of the Offer of the PIE Capital Securities and the issuer of the Underlying Securities, can be obtained by consulting Rabobank Nederland's most recent General Disclosure Statement (which contains Rabobank Nederland's financial statements).

Copies of the Prospectus, Rabobank Nederland's recent General Disclosure Statements and further copies of this Investment Statement can be obtained free of charge, on request, by contacting the Registrar at the address given above under the heading *Who do I contact with enquiries about my investment?*

A copy of the Prospectus, Rabobank Nederland's recent General Disclosure Statements, financial statements and other documents relating to the Issuer and to Rabobank Nederland are also filed on a public register at the Companies Office of the Ministry of Economic Development and will be available for public inspection during normal business hours or may be inspected on the Ministry of Economic Development's website <http://www.companies.govt.nz> A fee may be payable.

Alternatively, a copy of the Prospectus is available

under the 'News' link at <http://www.rabobank.co.nz/index.asp> and the latest General Disclosure Statement is available at <http://www.rabobank.co.nz/About-Rabobank/Pages/Disclosure-and-Investment-Statements.aspx> The latest full annual report for the Rabobank Group which supplements these General Disclosure Statements is available at http://www.rabobank.com/content/investor_relations/reports

A copy of the Security Trust Deed entered into by the Issuer and Public Trust is also filed on a public register at the Companies Office of the Ministry of Economic Development and available for public inspection during normal business hours or may be inspected on the Ministry of Economic Development's website <http://www.companies.govt.nz> A fee may be payable.

Holders will be sent a copy of the Issuer's annual reports if they tick the relevant box in the Application Form included at the back of this Investment Statement indicating that they wish to receive such reports.

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PART 5

Taxation consequences for New Zealand investors

Important Notice

This section of the Investment Statement provides an overview of the taxation consequences generally for New Zealand resident holders of the PIE Capital Securities and, where an Exchange Event occurs, the Underlying Securities.

The information in this section is of a summary nature and is based on independent advice the Issuer has received. It is based on tax legislation and interpretations current at the date this Investment Statement was prepared. The comments are not exhaustive and, in particular, may not deal with the position of certain classes of Holders or with all the considerations that may apply to particular investors. In particular, this section assumes New Zealand tax residency of all Holders and except to the extent expressly stated does not apply to prospective investors who are not tax resident in New Zealand.

Regardless of your tax residency, you are advised to consult your own professional advisers in relation to the New Zealand taxation implications in your own particular circumstances of acquiring, holding or disposing of the PIE Capital Securities.

A. Taxation consequences of holding PIE Capital Securities

New Zealand residency

The Issuer will assume that all Holders are New Zealand tax residents unless it is satisfied to the contrary.

PIE tax treatment

The Issuer will be a PIE under the portfolio investment entity, or PIE, regime contained in the Tax Act. A Portfolio Listed Company differs from other types of

PIE entities, called portfolio tax rate entities, because:

- a Portfolio Listed Company is taxed at the corporate tax rate (currently 30%) and is required to attach imputation credits to the dividends paid to its shareholders to the extent those imputation credits are available; whereas
- a portfolio tax rate entity is taxed on the basis of each investor's prescribed investor rate.

A key taxation benefit of investing in a PIE is the tax saving for investors whose marginal tax rate exceeds the corporate tax rate - which at the date of this Investment Statement would apply to investors in the 33% and 38% tax brackets.

Investors who are natural persons or trustees (other than trustees of a unit trust) do not need to include dividends from a Portfolio Listed Company in their tax returns, although they may choose to do so. No further tax is imposed on those dividends.

For example, if the gross return (cash plus imputation credits) on Portfolio Listed Company dividends was 8% per annum, an investor on a 38% marginal tax rate would need to receive a gross return of 9.03% per annum on a non-PIE investment in order to achieve the same after-tax return. On the same basis, an investor on a 33% marginal tax rate would need to receive a gross return of 8.36% per annum on a non-PIE investment in order to achieve the same after-tax return.

Because the Issuer will be liable to pay New Zealand taxation at the 30% corporate tax rate on its income (in the form of interest paid on the Underlying Securities by Rabobank Nederland), it is expected that all dividends on the PIE Capital Securities will be fully imputed.

Tax treatment of Holders

Individual holders

Because the Issuer is a Portfolio Listed Company,

Holders can treat the dividends as excluded income.

This means Holders are not required to include the dividends from the PIE Capital Securities in their income tax returns. Holders in effective tax brackets above the corporate tax rate when the dividend is paid (currently those in the 33% and 38% marginal tax brackets and those receiving "working for families" or certain other benefits from the Government) may benefit by treating the dividends as excluded income. If the dividends are treated as excluded income, no further tax is payable on the dividend, and no adjustment is made to entitlements to certain benefits received from the Government. For example, if the Issuer pays a dividend of \$70 cash with \$30 of imputation credits attached, a Holder with a marginal tax rate of 38% should return no income in relation to the dividend in their tax return. Given that dividends from a Portfolio Listed Company are excluded from tax, this will mean that the Holders will effectively have their tax capped at the corporate tax rate of 30%.

Holders in effective tax brackets below the corporate tax rate when the dividend is paid (currently investors in the 21% and 12.5% marginal tax brackets, excluding those receiving certain benefits from the Government) can elect to include dividends in their income tax return. This allows excess imputation credits received from the Issuer to be offset against other taxable income (if any).

For example, if the Issuer pays a dividend of \$70 cash with \$30 of imputation credits attached, a Holder with an effective marginal tax rate of 21% would return the following as income in their tax return:

Taxable dividend income	\$100.00
Tax at 21%	\$21.00
Less: Imputation credits	\$30.00
Excess imputation credits to offset tax on other income	\$9.00

A Holder with a marginal tax rate of 12.5% would

return the following as income in their tax return:

Taxable dividend income	\$100.00
Tax at 12.5%	\$12.50
Less: Imputation credits	\$30.00
Excess imputation credits to offset tax on other income	\$17.50

If the Issuer does not fully impute the dividends, this may trigger an Exchange Event and the PIE Capital Securities may, at the Issuer's option, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed. Alternatively, the Issuer may, at its discretion, put in place an arrangement to reimburse Holders who are adversely affected by the dividends not being fully imputed.

Corporate Holders and trustees of unit trusts

Corporate Holders (including trustees of unit trusts) are required to include dividends received on the PIE Capital Securities in their tax return, except to the extent that the dividend is not fully imputed. No further tax is payable by such Holders on the dividends. Imputation credits attached to dividends will give rise to a credit in the imputation credit account of a corporate Holder.

Trustee Holders (other than unit trust trustees)

Trustees (other than unit trust trustees) will need to consider whether or not to include the dividends in the trust tax return. If the dividends are included in the trust tax return, the dividends will either be trustee income or beneficiary income. If the dividends are trustee income, the trustee will have to pay additional tax in respect of the dividends, since trustee income is taxed at the rate of 33% and the imputation credits attached to the dividend will be insufficient to cover all the tax payable on the dividend. If the dividends are trustee income and are not included in the trust tax return, the dividends will be excluded income, in which case no further tax is payable on the dividend.

If the dividends are included in the trust tax return and are beneficiary income, the dividends will be included in the beneficiary's income tax return, along with their share of the trust's imputation credits. The dividends will be taxed at the beneficiary's marginal tax rate. Beneficiaries on a 33% or 38% marginal tax rate will benefit by not including the dividends in their tax return.

Non-New Zealand tax resident Holders

To the extent required by law, the Issuer will withhold non-resident withholding tax at the maximum rate from time to time applicable from payments made to Holders that are not tax resident in New Zealand. The rate of withholding tax will be 15% of the Dividend Amount assuming that dividends are fully imputed. The Issuer will not pay supplementary dividends under the foreign investor tax credit regime contained in the Tax Act.

Loss of Portfolio Listed Company status

The Issuer intends to maintain its status as a Portfolio Listed Company under the PIE tax rules. In the event that the Issuer loses its status as a Portfolio Listed Company, all Holders will be taxed on the aggregate of Dividend Amounts and any imputation credits received at their marginal tax rate, with a credit for any imputation credits attached. No compensation will be made to Holders in the event that Portfolio Listed Company status is lost.

Tax consequences on redemption

If the Issuer is a Portfolio Listed Company when the PIE Capital Securities are redeemed, the tax treatment of the amounts paid to Holders on redemption will be as outlined in the Tax treatment of Holders section above. In general terms the amounts paid on redemption will be excluded income for Holders, except for Holders in tax brackets below the corporate tax rate, who may

choose to be subject to tax to the extent necessary to access excess imputation credits.

If the Issuer is not a Portfolio Listed Company when the PIE Capital Securities are redeemed, then amounts paid to Holders should not be taxable dividends to the extent of the Redemption Amounts paid to them. Any Outstanding Amounts and surplus amounts (after accounting for any Redemption Amount and any Outstanding Amounts held by the Issuer) paid to Holders will be taxable dividends on which tax will be payable at the Holder's marginal tax rate. Imputation credits may be attached to any taxable dividend amount.

Tax consequences on disposal

Holders who hold their PIE Capital Securities on capital account should not be subject to tax on any gain on the disposal (including on the NZDX Market) of their PIE Capital Securities. Holders who do not hold their PIE Capital Securities on capital account will generally be subject to tax on such gains (including on redemption). Holders generally will not hold their PIE Capital Securities on capital account if:

- (a) they acquire the PIE Capital Securities with the dominant purpose of disposing of them; or
- (b) they carry on a business that comprises dealing in shares; or
- (c) they derive the disposal proceeds from the carrying on or carrying out an undertaking or scheme entered into for the purpose of making a profit.

B. Taxation consequences of exchange event

In certain circumstances described on page 57 and further in Part 4 the PIE Capital Securities may be exchanged for Underlying Securities issued by

Rabobank Nederland to the Issuer. The principal amount of the Underlying Securities transferred to each Holder will be equal to the Redemption Amount of that Holder's PIE Capital Securities at the relevant time.

Prior to the distribution to Holders of the Underlying Securities, any Outstanding Amounts and any surplus amounts (after accounting for the Outstanding Amounts and the distribution of the Underlying Securities) held by the Issuer will be paid out pro rata to Holders.

If the Issuer is a Portfolio Listed Company when the Exchange Event occurs, the principal amount of the Underlying Securities will be considered to have been distributed to Holders on the redemption of the PIE Capital Securities and the tax treatment of that principal amount will be as outlined in the *Tax treatment of Holders* section above. In general terms the principal amount will be excluded income for Holders, except for Holders in tax brackets below the corporate tax rate, who may choose to be subject to tax to the extent necessary to access excess imputation credits (if any).

If the Issuer is not a Portfolio Listed Company when the Exchange Event occurs, then Holders should not be subject to tax on the distribution to them of the Underlying Securities to the extent that the market value of the Underlying Securities distributed to them does not exceed the Face Value of their PIE Capital Securities. To the extent that the market value of the Underlying Securities distributed to Holders exceeds the Face Value of their PIE Capital Securities, this will constitute a dividend and Holders will be taxed on the dividend at their marginal tax rate. Imputation credits may be attached to the extent any dividend arises.

C. Taxation consequences following an exchange event

This section of the Investment Statement provides an overview of the taxation consequences for holders of the Underlying Securities where an Exchange Event occurs.

The following is a summary of the tax position that would be applicable principally to New Zealand tax resident holders of the Underlying Securities, where an Exchange Event has occurred.

New Zealand withholding tax and New Zealand non-resident withholding tax potentially applies to interest paid on the Underlying Securities. Neither the Issuer, Rabobank Nederland nor the Registrar will make any additional payment to holders of Underlying Securities on account of the deduction of such withholding tax or any approved issuer levy (see further below).

Under Underlying Securities Condition 9(e), each holder of Underlying Securities indemnifies Rabobank Nederland or the Registrar (as the case may be) in respect of any payment which Rabobank Nederland or the Registrar becomes liable to make of or on account of tax payable by that holder in relation to any Underlying Security. Rabobank Nederland or the Registrar (as the case may be) may deduct any indemnity payment from future amounts payable to that holder.

1. Resident withholding tax

Resident withholding tax potentially applies to interest paid to a holder who:

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

in business in New Zealand through a fixed establishment in New Zealand.

Resident withholding tax is not applicable if the holder is the holder of a valid certificate of exemption or is a registered bank for the purposes of the Reserve Bank of New Zealand Act 1989. Where appropriate, the holder should provide a copy of their certificate of exemption to the Registrar (or, as applicable, the custodian/nominee) before the first Interest Payment Date on which they hold Underlying Securities.

If the holder has provided a copy of their certificate of exemption, and the certificate of exemption is subsequently cancelled, the holder is required by New Zealand law to notify the Registrar (or, as applicable, the custodian/nominee) of the cancellation within five working days of receipt of the notice of cancellation.

If applicable, resident withholding tax will be deducted from a payment of interest on the Underlying Securities at a rate (under current law) of 19.5%, 33% or 39%, at the holder's election, if the holder's IRD Number is supplied to the Registrar. A "non-declaration" 39% rate (under current law) applies if the holder's IRD Number is not supplied. Where interest is paid in the 2009-10 tax year, resident withholding tax may be deducted at a rate of 38% where a 39% rate would otherwise apply, corresponding to a reduction in the highest personal marginal tax rate.

Neither Rabobank Nederland nor the Registrar will make any additional payments to holders on account of the deduction of New Zealand resident withholding tax.

2. Non-resident withholding tax

Non-resident withholding tax potentially applies to interest that is paid in respect of the Underlying Securities to a holder who:

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

Where applicable, non-resident withholding tax will be deducted from interest paid in respect of the Underlying Securities at a rate of 15%. However, double tax agreements to which New Zealand is a party may operate to prevent or reduce the imposition of non-resident withholding tax in respect of interest paid on the Underlying Securities.

A holder who believes that a double tax agreement has that effect should provide the Registrar with satisfactory evidence supporting that position (including, but not limited to, evidence of their country of residence for taxation purposes).

Approved issuer levy

Approved issuer levy may apply instead of non-resident withholding tax.

If Rabobank Nederland (at its discretion) makes appropriate elections, the Underlying Securities may become "registered securities" subject to the approved issuer levy taxation regime. If so, and if Rabobank Nederland is lawfully able to pay the levy in respect of the payment of interest to a holder, the interest otherwise payable to the holder will be reduced by an appropriate amount of approved issuer levy, in lieu of the deduction of non-resident withholding tax as described above.

Election regarding deduction of non-resident withholding tax / approved issuer levy

If a holder makes a request to the Registrar in writing no later than 5 Business Days prior to the record date in respect of an interest payment date pursuant to the Underlying Securities, the Registrar will deduct non-resident withholding tax, instead of the approved issuer levy, from the interest payable to that holder on

such interest payment date (and, if stipulated in the request, all subsequent interest payment dates until the request is revoked in writing by the holder no later than 5 Business Days prior to the record date (in respect of a particular interest payment date) and from which the revocation is to take effect).

If such a request is not made or has been revoked, then the Registrar will deduct approved issuer levy as described above. In other words, if Rabobank Nederland has registered the Underlying Securities for approved issuer levy purposes as described above, the default position is for the levy to be deducted.

No gross-up for New Zealand taxes

If any deduction or withholding of any amount (including in respect of the approved issuer levy) is made from any payment made in relation to an Underlying Security, the holder agrees that the net payment becomes the interest payable to the holder and that no further payment is required to be made by Rabobank Nederland to compensate the holder for the deduction or withholding.

3. Income tax

The "financial arrangements rules" may apply to the holder of an Underlying Security who:

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

If applicable, the financial arrangements rules may require the holder to adopt a spreading method to recognise the holder's annual interest income from the Underlying Securities. The adoption of a spreading method is not required for a holder able to be

classified as a "cash basis person".

The financial arrangements rules require all holders subject to the rules, including a cash basis person, to perform a "base price adjustment" calculation upon sale, transfer, redemption or repurchase of the Underlying Securities. The calculation may bring to account any previously unrecognised gain on the Underlying Securities, including any gain from the sale, transfer, maturity or redemption. In calculating a base price adjustment, the consideration paid by a holder for an Underlying Security on an Exchange Event will be equal to the market value of an Underlying Security immediately prior to the exchange (but after the payment of Outstanding Amounts and any surplus). This may be more or less than the principal amount of the Underlying Security.

D. Netherlands taxation

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to a Holder of PIE Capital Securities.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "Dutch Taxes" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities.

Residency

Subject to the exceptions below, a Holder will not become resident, or deemed resident, in the

Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of Rabobank Nederland's performance, or the Holder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Underlying Securities.

Withholding tax

Any payments made under the Underlying Securities will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

A Holder will not be subject to any Dutch Taxes on any payment made to the Holder under the Underlying Securities or on any capital gain made by the Holder from the disposal, or deemed disposal, or redemption of, the Underlying Securities, except if:

- (i) the Holder is, or is deemed to be, resident in the Netherlands; or
- (ii) the Holder is an individual and has opted to be taxed as if resident in the Netherlands for Dutch income tax purposes; or
- (iii) the Holder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of the 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 Underlying Securities are attributable; or
- (iv) the Holder is an individual and derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Underlying Securities, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (v) the Holder is entitled other than by way of the holding of securities to a share in the profits of an

enterprise effectively managed in the Netherlands to which the Underlying Securities are attributable.

Gift tax or inheritance tax

No Dutch Taxes are due in respect of any gift of the Underlying Securities by, or inheritance of the Underlying Securities on the death of, a Holder, except if:

- (a) the Holder is resident, or is deemed to be resident, in the Netherlands; or
- (b) at the time of the gift or death of the Holder, his Underlying Securities are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands; or
- (c) the Holder passes away within 180 days after the date of the gift of the Underlying Securities and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident of the Netherlands; or
- (d) the Holder is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Underlying Securities are attributable.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift. Furthermore, under circumstances a Holder will be deemed to be a resident in the Netherlands for purposes of Dutch gift

and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

Other taxes

No other Dutch Taxes, such as turnover tax, or other similar tax or duty (including stamp duty and court fees), are due by Rabobank Nederland or a Holder by reason only of the issue, acquisition or transfer of the Underlying Securities.

EC Council Directive

As of 1 July 2005, based on Directive 2003/48/EC, the tax authorities of the EU Member States provide each other with details of payments of interest and similar income made to individuals who are the beneficial owner of those payments, but permits Austria, Belgium and Luxembourg instead to impose a withholding tax on the payments concerned for a "transitional period". The Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the EU Member State in which the beneficial owner is resident. A number of non-EU countries and certain dependent or associated territories have agreed to adopt similar measures (in certain cases on a reciprocal basis). The Directive does not preclude EU Member States from levying other types of withholding tax.

PART 6

Glossary

In this Investment Statement, unless the context otherwise requires:

2007 Capital Securities means the \$1.00 perpetual non-cumulative capital securities issued by Rabobank Nederland to the New Zealand public in or around October 2007 (NZDX Code RBOHA).

Agency Agreement means the agency agreement dated on or about 16 April 2009 between the Issuer and the Registrar relating to the PIE Capital Securities to which the Underlying Securities Conditions are attached as Schedule 1.

Application Form means the application form contained in Part 7 of this Investment Statement.

Arranger means ASB Bank Limited.

Bank Bill Rate in respect of any Floating Rate Dividend Period (as defined in the PIE Conditions), means the FRA settlement rate for New Zealand dollar bills of exchange for a period of three months, commencing on the first day of such Floating Rate Dividend Period, which appears on the Reuters Page on or around 10.45 a.m., New Zealand time, on the first day of such Floating Rate Dividend Period.

If such rate does not appear on the Reuters Page, the rate for such relevant Floating Rate Dividend Period will mean the rate determined on the basis of the average of the mid-point of the bid and offer rates quoted by three Reference Banks selected by the Calculation Agent for New Zealand dollar bills of exchange for a period of three months for settlement on the first day of such Floating Rate Dividend Period and in a representative amount at approximately 11.00 a.m., New Zealand time, on the first day of such Floating Rate Dividend Period. The Calculation Agent will request the principal New Zealand office of each of such Reference Banks to provide a quotation of its bid and offer rates. If fewer than three quotations

are provided as requested, the rate for such Floating Rate Dividend Period will be the Bank Bill Rate as determined by the Calculation Agent in respect of the immediately previous Floating Rate Dividend Period. If there was no such immediately previous Floating Rate Dividend Period, the rate for such Floating Rate Dividend Period will be the average of the mid-point of the bid and offer rates quoted by major banks in New Zealand, selected by the Calculation Agent, for New Zealand dollar bills of exchange for a period of three months for settlement on the first day of such Floating Rate Dividend Period and in a representative amount, at approximately 11.00 a.m., New Zealand time, on the first day of such Floating Rate Dividend Period.

Benchmark Rate means, in respect of any Initial Dividend Rate Period (as defined in the PIE Conditions), the rate per annum expressed on a percentage yield basis, and rounded up to the nearest four decimal places, which is determined by the Calculation Agent to be the average of the bid and offer swap rate displayed at or around 3.00 p.m., New Zealand time, on the Calculation Date in relation to the Calculation Period in which such Initial Rate Dividend Period falls on page FISSWAP (or any successor page) of the Reuters monitor screen for an interest rate swap with term equal to the Calculation Period.

If such rate does not appear on page FISSWAP, or if the Calculation Agent forms the view that the rate so determined is not an accurate reflection of market rates, the relevant Benchmark Rate shall be the average of the mid-point of the bid and offer swap rates quoted by three Reference Banks selected by the Calculation Agent at or around 3.00 p.m., New Zealand time, on the relevant Calculation Date for an interest rate swap with term equal to the Calculation Period. The Calculation Agent will request the principal New Zealand office of each of such Reference Banks to provide a quotation of its bid and offer rates. If fewer

than three quotations are provided as requested, the relevant Benchmark Rate for such Initial Rate Dividend Period will be the average of the mid-point of the bid and offer swap rates quoted by major banks in New Zealand selected by the Calculation Agent, at or around 3.00 p.m., New Zealand time, on such relevant Calculation Date for an interest rate swap with term equal to the Calculation Period.

Calculation Period means each of the periods from (and including) the Issue Date to (but excluding) 18 June 2014 and the period commencing on (and including) 18 June 2014 to (but excluding) the First Call Date.

Constitution means the constitution of the Issuer.

Dividend Amount means the amount of the cash dividend payable on the PIE Capital Securities.

Dollars or \$ means New Zealand dollars.

Exchange Event means the occurrence of certain events, as set out in the PIE Conditions and described on page 12 under the heading Exchange Events, under which the PIE Capital Securities may, at the option of the Issuer, exchange into the Underlying Securities issued by Rabobank Nederland or be redeemed.

EUR, euro or € means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

Floating Rate Dividend Payment Date means March 18, June 18, September 18 and December 18 of each year commencing on 18 September 2019 in each case subject to adjustment as provided in the PIE Conditions.

Floating Rate Dividend Period means the period beginning on (and including) 18 June 2019 and ending

on (but excluding) the first Floating Rate Dividend Payment Date and each successive period beginning on (and including) a Floating Rate Dividend Payment Date and ending (but excluding) the next succeeding Floating Rate Dividend Payment Date.

General Disclosure Statement or General Short Form Disclosure Statement means the disclosure statements required to be filed by the Rabobank Nederland pursuant to the Reserve Bank of New Zealand Act 1989 and associated regulations.

Holder means a holder of PIE Capital Securities.

IFRS means the International Financial Reporting Standards issued by the International Accounting Standards Board.

Increased Costs Event means if there is a reduction in the rate of return from the Underlying Securities or an additional or increased cost is incurred or suffered by the Issuer that it is attributable to the Issuer having issued the PIE Capital Securities.

Initial Rate Dividend Payment Date means March 18, June 18, September 18 and December 18 of each year, commencing on June 18, 2009 and ending June 18 2019.

Initial Rate Dividend Payment Period means the period beginning on (and including) the Issue Date (beginning 27 May 2009) and ending on (but excluding) the first Initial Rate Dividend Payment Date and the period beginning on (and including) an Initial Rate Dividend Payment Date and ending on (but excluding) 18 June 2019 and the period between any two Initial Rate Dividend Payment Date.

Investment Statement means this investment statement dated 17 April 2009.

Insolvency Event means (a) in respect of the Issuer, the dissolution, bankruptcy, the inability to pay debts as

they fall due, or if an effective resolution is passed for the winding-up, liquidation or administration (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of Holders and any equivalent or analogous procedure), or (b) in respect of Rabobank Nederland means bankruptcy, a Moratorium, or dissolution or an effective resolution is passed for the winding-up, liquidation or administration.

IRD Number means the individual identification number issued to each person by the New Zealand Inland Revenue Department, also known as a 'tax file number'.

Issuer means Rabo Capital Securities Limited.

Joint Lead Managers means ASB Bank Limited, ANZ, a part of ANZ National Bank Limited, and Forsyth Barr Limited.

Margin means the margin, expressed as a percentage per annum, determined by the Issuer in consultation with the Joint Lead Managers on or before the Issue Date.

Maximum PIE Holding means the maximum holding that an investor may, at that time, hold in a Portfolio Listed Company in order for the Portfolio Listed Company to meet the PIE eligibility requirements in the Tax Act, taking into account any requirement under the Tax Act to include the holdings of persons that are associated with that investor.

Minimum Initial Rate means the minimum dividend rate of 8% per annum applicable in respect of the Offer until 18 June 2014.

Moody's means Moody's Investors Service Limited.

Moratorium means a situation in which an "emergency regulation" (*noodregeling*) as contemplated in Chapter 3.5.5.1 of the Dutch Financial

Supervision Act (*Wet op het financieel toezicht*) (Netherlands), as modified or re-enacted from time to time, is applicable to Rabobank Nederland.

NZDX Market means the market for debt securities of that name operated by NZX.

NZX means NZX Limited.

NZX Advisor has the same meaning as in the Participant Rules of NZX Limited.

Offer means the offer of PIE Capital Securities by Rabo Capital Securities Limited under this Investment Statement.

Official Cash Rate means Official Cash Rate most recently announced by the Reserve Bank of New Zealand.

Organising Participant means ASB Securities Limited.

Outstanding Amounts means, in relation to any amounts payable on redemption of the PIE Capital Securities, an amount representing the accrued and unpaid Dividend Amount for the Dividend Period during which redemption occurs to the date of redemption.

PIE means a portfolio investment entity, and has the meaning given to that term in section YA 1 of the Tax Act.

PIE Capital Securities means the \$1.00 Face Value perpetual non-cumulative non-voting preference shares offered by the Issuer pursuant to this Investment Statement.

PIE Conditions means the terms and conditions of the PIE Capital Securities as set out in the Constitution of the Issuer and attached as Appendix A to the Prospectus.

Portfolio Listed Company has the meaning given to

that term in section YA 1 of the Tax Act or any defined term enacted in lieu thereof.

Primary Market Participant has the same meaning as in the Participant Rules of NZX Limited.

Prospectus means the registered prospectus for the Offer of the PIE Capital Securities, dated 17 April 2009.

Rabobank Group or **Group** means Rabobank Nederland together with its branches and consolidated subsidiaries and the Local Rabobanks and shall include the Issuer.

Rabobank Nederland means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., the promoter of the Offer of the PIE Capital Securities and the issuer of the Underlying Securities.

Redemption Amount means, in respect of a Holder, the aggregate Face Value of PIE Capital Securities held by that Holder.

Registrar means Computershare Investor Services Limited.

Security Trustee means Public Trust.

Security Trust Deed means the deed entitled "Security Trust Deed" entered into by the Issuer and the Security Trustee on or about 16 April 2009.

Senior Creditors means indebtedness of Rabobank Nederland other than Rabobank Nederland's obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, Rabobank Nederland's obligations under the Underlying Securities. Those obligations that rank *pari passu* with the Underlying Securities are Rabobank Nederland's obligations under the guarantees and contingent guarantees in relation to the Non-cumulative Guaranteed Trust Capital Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI,

the corresponding Class B Capital Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI and, the 2007 Capital Securities effectively, the most senior ranking preferred equity securities or preferred or preference shares of Rabobank Nederland including the PIE Capital Securities.

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

Standard & Poor's means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

Tax Act means the Income Tax Act 2007.

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

Terms and Conditions or Conditions means the PIE Conditions unless the context otherwise requires.

Underlying Securities means the \$1.00 Perpetual Non-Cumulative Capital Securities issued by Rabobank Nederland to the Issuer.

Underlying Securities Conditions means the terms and conditions of the Underlying Securities, a copy of which is set out in full in Appendix B to the Prospectus.

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PART 7

Application Form

Application Instructions

1. Complete details

- Insert your title, full name(s), address and telephone numbers.
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- Applications by a minor, trust, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as appropriate).
- Insert your IRD Number if you have one.
- Tick the relevant box for Resident Withholding Tax (if applicable). Complete country of tax residence and, if that is not New Zealand, tick the box if you carry on business in New Zealand through a fixed establishment (branch) in New Zealand.
- Applications must be for a minimum aggregate principal amount of \$5,000 and thereafter in \$1,000 increments. Applications must be accompanied by a cheque for the application amount (subject to directions in 3. Payment below).
- Insert the New Zealand dollar bank account into which you wish dividend and/or interest payments (as applicable) to be deposited.

2. Signing

- Read the Application Form carefully and sign (and date) the form.
- The form must be signed by the applicant(s) personally, or by two directors of the company (or one director if there is only one director), or (in either case) by an attorney.
- If the Application Form is signed by an attorney, an original or certified copy of the relevant Power

of Attorney must be lodged with the Application Form (originals will be returned). The attorney must complete the certificate of non-revocation below.

- If the Application Form is signed by an agent, an original or certified copy of the relevant Agency Agreement must be lodged with the Application Form (originals will be returned). The agent must complete the certificate of non-revocation below.
- Joint applicants must each sign the Application Form.

3. Payment

- Payment of the total application amount in full must accompany the Application Form.
- Payment must be made in New Zealand dollars for immediate value, with a cheque drawn on a New Zealand bank.
- Where an application is for \$500,000 principal amount of PIE Capital Securities, payment must be made by bank cheque or any other method of payment acceptable to Rabo Capital Securities Limited.
- Cheques must be made out in favour of "Rabo Capital Offer", and crossed "Not Transferable".

4. Closing Date

- 12:00 noon on 22 May 2009 (or any other Closing Date advised by NZX announcement).

5. Delivery

- Applications cannot be revoked or withdrawn.
- Application Forms may be mailed or delivered to any of the Joint Lead Managers, the Organising Participant, any Primary Market Participant, any other channel approved by NZX or the Registrar: Computershare Investor Services Limited, (by post) Private Bag 92119, Auckland 1142 or (by hand) Level 2, 159 Hurstmere Road, Takapuna, North Shore City.

- Application forms which are sent to the Joint Lead Managers, Organising Participant or a Primary Market Participant or any other channel approved by NZX must be sent in time to enable the Application Form to be forwarded to the Registrar for receipt by 12:00 noon on the Closing Date. Applicants should remember that the Closing Date may be changed at the sole discretion of Rabo Capital Securities Limited. Changes will be advised by NZX announcement.
- Rabo Capital Securities Limited may accept or reject any application without giving any reason.

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4. COMPUTERSHARE INVESTOR SERVICES LIMITED SHAREHOLDER NUMBER

If you currently have a Computershare Shareholder Number please insert it here:

5. COMMON SHAREHOLDER NUMBER

If you have a CSN, please insert it here:

6. AUSTRACLEAR NZ MNEMONIC (for settlement) (if applicable) (To be settled with the Registrar (CISL90))

7. INFORMATION

The information in this Application Form is provided to enable Rabo Capital Securities Limited, its related companies and the Registrar to process your application, and to administer your investment. By signing this Application Form you authorise Rabo Capital Securities Limited to disclose information to its related companies, and for Rabo Capital Securities Limited, its related companies and the Registrar to disclose information in situations where Rabo Capital Securities Limited or any of its related companies, or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual, under the Privacy Act 1993, you have the right to access and correct any of your personal information.

8. INDEMNITY

The Investment Statement to which this Application Form is attached only constitutes an offer of PIE Capital Securities to the public in New Zealand and to investors in other jurisdictions where the PIE Capital Securities may be lawfully offered. No action has been or will be taken by Rabo Capital Securities Limited which would permit an offer of PIE Capital Securities to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). PIE Capital Securities may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No Holder, or any other person, may purchase, offer, sell, distribute or deliver PIE Capital Securities, or have in its possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the PIE Capital Securities, in any jurisdiction other than in compliance with all applicable laws and regulations.

By applying for PIE Capital Securities, each applicant indemnifies Rabo Capital Securities Limited, the Arranger, the Organising Participant and each of the Joint Lead Managers and each of their respective directors, officers and employees in respect of any loss, cost, liability or expense sustained or incurred by Rabo Capital Securities Limited, the Arranger, the Organising Participant, that Joint Lead Manager or that person as a result of that applicant breaching the selling restrictions described above.

Nothing in this indemnity provision prejudices or affects any other right or remedy of Rabo Capital Securities Limited or the Registrar set out in the Conditions or otherwise.

9. SIGNATURE (S) OF APPLICANT (S)

I/We hereby apply for the PIE Capital Securities as set out above. I/We agree to accept the investments as applied for or any lesser amount that may be issued to me/us. I/We agree to be bound by the provisions of the PIE Conditions and by the provisions of this Investment Statement dated 17 April 2009.

I/We certify that, where information is provided by me/us in this form about another person, I am/we are authorised by such person to disclose the information to you and to give authorisation.

In the case of joint applications, the joint applicants agree that, unless otherwise expressly indicated in this Application Form, the PIE Capital Securities will be held jointly as joint tenants. I/We have taken this Application Form from the Investment Statement, which I/we have read. **Please read all of this Application Form before signing.**

Signature of Applicant:

Date:

Signature of Applicant:

Date:

Signature of Applicant:

Date:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.

I, (Name of Attorney)

of (Address and Occupation of Attorney)

HEREBY CERTIFY

1. THAT as Attorney of under a deed dated

Given to me by him/her/the Company. Day..... Month..... Year.....

2. THAT I have executed the application for Notes on the face hereof as Attorney under the said Power of Attorney and pursuant to the powers hereby conferred on me.

3. THAT at the date hereof I have not received any notice of information of the revocation of the said Power of Attorney by death or otherwise.

Signed at.....this day of 2009

Signature of Attorney.....

CERTIFICATE OF NON-REVOCATION OF AGENT

Complete this section if you are acting as agent for someone.

I, (Name of Agent)

of (Address and Occupation of Agent)

HEREBY CERTIFY

1. THAT, by the Agency Agreement dated the day of (“Donor”) appointed me his/her/its Agent on the terms and conditions set out in the Agency Agreement.

2. THAT I have executed the application for PIE Capital Securities printed on this Application Form under the appointment and pursuant to the powers thereby conferred on me.

3. THAT at the date of this certificate I have not received any notice or information of the revocation of that appointment by death (or winding up) of the Donor or otherwise.

Signed at.....this day of 2009

Signature of Agent

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PART 8

Directory

ISSUER

Rabo Capital Securities Limited

Level 12
80 The Terrace
Wellington

PROMOTER

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

Croeselaan 18
3521 CB Utrecht
The Netherlands

AUDITORS

Ernst & Young

41 Shortland Street
Auckland 1010

ARRANGER AND JOINT LEAD MANAGER

ASB Bank Limited

135 Albert Street
PO Box 35, Shortland Street
Auckland 1140
Telephone: +64 (9) 374 8052
Facsimile: +64 (9) 374 8716
www.asb.co.nz

JOINT LEAD MANAGERS

ANZ, part of ANZ National Bank Limited

Level 7, 1 Victoria Street
PO Box 540
Wellington
Telephone: 0800 269 476
www.anz.co.nz

Forsyth Barr Limited

Level 21, Vodafone on the Quay
157 Lambton Quay
PO Box 5266
Wellington
Telephone: 0800 367 227
www.forbar.co.nz

ORGANISING PARTICIPANT

ASB Securities Limited

135 Albert Street
PO Box 35, Shortland Street
Auckland 1140
Freephone: 0800 ASB OFFER (0800 272 633)
www.asbsecurities.co.nz

REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Private Bag 92119
Auckland 1142
Telephone: +64 (9) 488 8777
www.computershare.co.nz

SOLICITORS TO THE ISSUER

Russell McVeagh

Vero Centre
Shortland Street
PO Box 8
Auckland 1140
Telephone: +64 (9) 367 8000
www.russellmcveagh.com

SECURITY TRUSTEE

Public Trust

Level 10
141 Willis Street
Wellington
Freephone: 0800 371 471
www.publictrust.co.nz

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