IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access.

Confirmation of Your Representation: You have been sent the attached Offering Circular on the basis that you have confirmed to Coöperatieve Rabobank U.A., Credit Suisse Securities (Europe) Limited, Goldman Sachs International, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (the "**Joint Lead Managers**") being the sender of the attached, (i) that the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and which include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and (ii) that you consent to delivery by electronic transmission.

The attached Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Coöperatieve Rabobank U.A. (the "**Issuer**") or the Joint Lead Managers and any person who controls any of them or any director, officer, employee or agent of the Issuer or any Joint Lead Manager or any person who controls either of them or any affiliate of any of the foregoing accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Issuer or any Joint Lead Manager.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not nor are you authorised to deliver the attached Offering Circular to any other person.

Restrictions on marketing and sales to retail investors: The Capital Securities discussed in the attached Offering Circular (the "**Capital Securities**") are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended or superseded, "**PRIIPs**") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, PRIIPs and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities such as the Capital Securities.

Potential investors in the Capital Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein), including the Regulations.

The Issuer and the Joint Lead Managers are required to comply with the Regulations. By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Capital Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

1. it is not a retail client in the EEA (in MiFID II);

2. whether or not it is subject to the Regulations, it will not

   (A) sell or offer the Capital Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II) in the EEA; or

   (B) communicate (including the distribution of the attached Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (as defined in MiFID II),

   in any such case other than (i) in relation to any sale or offer to sell Capital Securities (or any beneficial interests therein) to a retail client in or resident in the United Kingdom, in circumstances that do not and will not give rise to a contravention of the PI Rules by any person and/or (ii) in relation to any sale or offer to sell Capital Securities (or any beneficial interests therein) to a retail client in any EEA member state other than the United Kingdom, where (a) it has conducted an assessment and concluded that the relevant retail client understands the risks of an investment in the Capital Securities (or such beneficial interests therein) and is able to bear the potential losses involved in an investment in the Capital Securities (or such beneficial interests therein) and (b) it has at all times acted in relation to such sale or offer in compliance with MiFID II to the extent it applies to it or, to the extent MiFID II does not apply to it, in a manner which would be in compliance with MiFID II if it were to apply to it; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Capital Securities (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Capital Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Prohibition of sales to EEA retail investors – The Capital Securities are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by PRIIPs for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPs.

Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Restrictions: Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

The attached Offering Circular may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. person or to any U.S. address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Under no circumstances shall the attached Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The attached Offering Circular may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

Offering Circular dated 5 September 2019

Coöperatieve Rabobank U.A.
EUR 1,250,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities

Issue Price of the Capital Securities: 100.00 per cent.

The EUR 1,250,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities (the "**Capital Securities**") will be issued by Coöperatieve Rabobank U.A. ("**Rabobank**", the "**Issuer**" or the "**Bank**"). The Capital Securities will constitute direct, unsecured and subordinated obligations of the Issuer and shall rank at all times *pari passu* and without any preference among themselves.

Interest on the Capital Securities will accrue on their Prevailing Principal Amount (as defined in "*Terms and Conditions of the Capital Securities*") from (and including) 9 September 2019 (the "**Issue Date**") to (but excluding) 29 December 2026 (the "**First Reset Date**") at an initial rate of 3.250 per cent. per annum, and will, subject as provided below, be payable semi-annually in arrear on 29 June and 29 December in each year, except that there will be a short first Interest Period of 111 days, beginning on (and including) the Issue Date and ending on (but excluding) 29 December 2019. Interest on the Capital Securities shall accrue from (and including) the First Reset Date, at a rate, to be reset every five years thereafter, based on the Reset Reference Rate (as defined in "*Terms and Conditions of the Capital Securities*") plus 3.702 per cent. Payments of interest on the Capital Securities will be made without deduction for, or on account of, taxes of the Netherlands to the extent described under "*Terms and Conditions of the Capital Securities – Taxation*". The Issuer may, in its sole discretion, elect to cancel the payment of interest on the Capital Securities (in whole or in part) on any Interest Payment Date, and payments of interest may be subject to mandatory cancellation, as more particularly described under "*Terms and Conditions of the Capital Securities – Cancellation of Interest*".

The Prevailing Principal Amount of the Capital Securities will be written down if the CET1 Ratio of the Rabobank Group has fallen below 7 per cent. and/or the CET1 Ratio of the Issuer has fallen below 5.125 per cent. (a "Trigger Event", as further defined in "*Terms and Conditions of the Capital Securities*") occurs. The Trigger Event relates to the solvency levels on which Rabobank is supervised: non-consolidated at Issuer level and consolidated on the level of the Rabobank Group. Rabobank Group comprises Rabobank and a number of specialised subsidiaries. Holders may lose some or all of their investment in the Capital Securities as a result of such a write-down. Following such reduction, the Prevailing Principal Amount may, at the Issuer's discretion, be written up (but never above the Initial Principal Amount (as defined in "*Terms and Conditions of the Capital Securities*")) if certain conditions are met. See "*Terms and Conditions of the Capital Securities – Write Down and Write Up*".

The Capital Securities will be perpetual securities, have no fixed or final redemption date and holders of the Capital Securities (the "**Holders**") do not have the right to call for their redemption. Subject to satisfaction of certain conditions (as described herein) and applicable law, the Capital Securities may be redeemed (at the option of the Issuer) on 29 December 2026 (the "**First Call Date**"), or on each Interest Payment Date thereafter, in whole but not in part in an amount equal to the Prevailing Principal Amount together with any Outstanding Payments (each as defined in "*Terms and Conditions of the Capital Securities*"). In addition, upon the occurrence of a Capital Event or a Tax Law Change (each as defined in "*Terms and Conditions of the Capital Securities*"), the Capital Securities may be redeemed (at the option of the Issuer) in whole but not in part in an amount equal to their Prevailing Principal Amount together with any Outstanding Payments, as further described herein. Upon the occurrence of a Capital Event, the Issuer may substitute, or vary the terms of, the Capital Securities so that they remain or, as appropriate, become Compliant Securities (as defined in "*Terms and Conditions of the Capital Securities*").

This Offering Circular does not comprise a prospectus for the purposes of Article 6.3 of Regulation (EU) 2017/129. Application has been made to the Euronext Dublin for the Capital Securities to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin. This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin. References in this Offering Circular to the Capital Securities being "**listed**" (and all related references) shall mean that the Capital Securities have been admitted to the Official List and trading on the Global Exchange Market.

The denominations of the Capital Securities shall be EUR 200,000. The Capital Securities will initially be represented by a temporary global capital security without interest coupons in bearer form (the "**Temporary Global Capital Security**"), which will be deposited with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, SA ("**Clearstream, Luxembourg**") on the Issue Date. The Temporary Global Capital Security will be exchangeable for interests in a global capital security (the "**Global Capital Security**"), without interest coupons, on or after a date which is expected to be 20 October 2019, upon certification as to non-U.S. beneficial ownership. Individual definitive Capital Securities in bearer form ("**Definitive Capital Securities**") will only be available in certain limited circumstances as described herein. See "*Summary of the Provisions Relating to the Capital Securities while in Global Form*".

The Capital Securities are expected upon issue to be rated Baa3 and BBB- by Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"), respectively. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Offering Circular have been issued by Moody's and Fitch, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

The Capital Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. State securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

Joint Lead Managers

Credit Suisse **Goldman Sachs International**

J.P. Morgan **Morgan Stanley**

Rabobank

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

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exceptions, Capital Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

EACH PURCHASER OF THE CAPITAL SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE CAPITAL SECURITIES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE CAPITAL SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NEITHER THE ISSUER NOR THE JOINT LEAD MANAGERS SHALL HAVE ANY RESPONSIBILITY THEREFOR.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Capital Securities. The distribution of this Offering Circular and the offering of the Capital Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of further restrictions on offers and sales of Capital Securities and distribution of this Offering Circular see "*Subscription and Sale*" below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Capital Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of Credit Suisse Securities (Europe) Limited, Goldman Sachs International, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc have separately verified the information contained in this Offering Circular. Credit Suisse Securities (Europe) Limited, Goldman Sachs International, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are or should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Offering Circular or any other financial statements should purchase the Capital Securities. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular. This Offering Circular does not describe all of the risks of an investment in the Capital Securities. Each potential purchaser of Capital Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Capital Securities should be based upon such investigation as it deems necessary.

Restrictions on marketing and sales to retail investors: The Capital Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended or superseded, "**PRIIPs**") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, PRIIPs and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities such as the Capital Securities.

Potential investors in the Capital Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein), including the Regulations.

The Issuer and the Joint Lead Managers are required to comply with the Regulations. By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Capital Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

1. it is not a retail client in the EEA (as defined MiFID II);

2. whether or not it is subject to the Regulations, it will not

   (a) sell or offer the Capital Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II) in the EEA; or

   (b) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case as defined in MiFID II),

   in any such case other than (i) in relation to any sale or offer to sell Capital Securities (or any beneficial interests therein) to a retail client in or resident in the United Kingdom, in circumstances that do not and will not give rise to a contravention of the PI Rules by any person and/or (ii) in relation to any sale or offer to sell Capital Securities (or any beneficial interests therein) to a retail client in any EEA member state other than the United Kingdom, where (a) it has conducted an assessment and concluded that the relevant retail client understands the risks of an investment in the Capital Securities (or such beneficial interests therein) and is able to bear the potential losses involved in an investment in the Capital Securities (or such beneficial interests therein) and (b) it has at all times acted in relation to such sale or offer in compliance with MiFID II or, to the extent MiFID II does not apply to it, in a manner which would be in compliance with MiFID II if it were to apply to it; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Capital Securities

(or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Capital Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Benchmarks Regulation - Amounts payable under the Capital Securities in respect of the Reset Period are calculated by reference to EURIBOR, which is provided by the European Money Markets Institute. As at the date of this Offering Circular, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").

Prohibition of Sales To EEA Retail Investors - The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II). Consequently, no key information document required by PRIIPS for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPS.

Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Unless the context otherwise requires, references in this Offering Circular to "**Rabobank**" and "**Rabobank Nederland**" are to Coöperatieve Rabobank U.A. and references to "**Rabobank Group**" are to Rabobank and its group companies (within the meaning of Section 2:24b of the Dutch Civil Code (the "**DCC**"), which shall in any event include its subsidiaries).

Unless otherwise specified or the context requires, references to "**EUR**" and "**€**" are to euro, which means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community.

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

action or over-allotment must be conducted by the relevant Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

All figures in this Offering Circular have not been audited, unless stated otherwise. Such figures are internal figures of Rabobank or Rabobank Group.

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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RISK FACTORS

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

In addition, factors which are material for the purpose of assessing the market risks associated with the Capital Securities are also described below.

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

Unless defined herein, words and expressions defined in "Terms and Conditions of the Capital Securities" shall have the same meanings in these risk factors.

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

Business and general economic conditions

The profitability of Rabobank Group could be adversely affected by a downturn in general economic conditions in the Netherlands or globally. Financial markets are volatile. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. In addition, developments like Brexit (as defined below) could adversely affect the general economic conditions and thereby the profitability of Rabobank Group. Interest rates remained low in 2018. Persistent low interest rates have negatively affected and continue to negatively affect the net interest income of Rabobank Group. An economic downturn, or significantly higher interest rates for customers, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, a market downturn in the Dutch or global economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from commissions and interest. Continuing volatility in the financial markets or a protracted economic downturn in Rabobank Group's major markets or Rabobank Group's inability to accurately predict or respond to such developments could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations.

Credit risk

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

Rabobank Group's long-term average, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Country risk

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

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

Rabobank performs a number of operations in the United Kingdom for its customers, including products and services for international clients in the field of corporate banking, commercial financing and operations relating to global financial markets. The extent, timing and process by which the United Kingdom will exit the European Union ("**Brexit**"), and the longer term economic, legal, political and social framework to be put in place by the United Kingdom and the European Union are unclear and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in the United Kingdom, wider European markets or other markets in which Rabobank Group operates. The outcome of the Brexit negotiations is still uncertain while the deadline of March 2019 has been extended to 31 October 2019.

In addition, geopolitical tensions such as the trade war between the United States and China, international sanctions on Iran and Russia and other geopolitical tensions may have a material adverse effect on the economic climate and could negatively impact the growth of the global economy.

Any of these factors could have a material adverse effect on Rabobank Group's results of operations and the value of the Capital Securities.

Interest rate and inflation risk

Interest rate risk is the risk, outside the trading environment, of deviations in net interest income and/or the economic value of equity as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for Rabobank Group's liabilities, such as savings, may need to be adjusted immediately. At the same time, the rates on the majority of Rabobank Group's assets, such as mortgages, which have longer interest rate fixation periods, will not change before the end of the fixed rate period. As a result, rising interest rates may have an adverse impact on Rabobank's earnings, although this impact should be mitigated to some extent by higher interest revenues on assets that are funded by non- and low-interest-bearing liabilities (reserves, balances on payment accounts and current accounts). Sudden and substantial changes in interest rates or very low or negative interest rates could have a material adverse effect on Rabobank Group's results of operations. Inflation and expected inflation can influence interest rates. An increase in inflation may: (i) decrease the value of certain fixed income instruments which Rabobank Group holds; (ii) result in surrenders (*afkoop*) of certain savings products with fixed rates below market rates by banking customers of Rabobank Group; (iii) require Rabobank Group to pay higher interest rates on the securities that it issues; and (iv) cause a general decline in financial markets.

Funding and liquidity risk

Liquidity risk is the risk that the bank will not be able to meet all of its payment obligations on time, as well as the risk that the bank will not be able to fund increases in assets at a reasonable price. This could happen

if, for instance, customers or professional counterparties suddenly withdraw more funds than expected which cannot be absorbed by the bank's cash resources, by selling or pledging assets in the market or by borrowing funds from third parties. Important factors in preventing this are maintaining an adequate liquidity position and retaining the confidence of institutional market participants and retail customers to maintain the deposit base and access to public money and the capital markets for Rabobank Group. If these are seriously threatened, this could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Market risk

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

Currency risk

Rabobank engages in activities that exposes it to currency exchange rate risk ("**FX Risk**"). This risk may originate from trading and non-trading activities, domestically or internationally and consequences will be reflected in the profit and loss statement or in the equity account (through changes in revaluation reserve/translation reserve account). FX Risk is the (dynamic) risk that exchange rates movements could lead to volatility in the bank's cash flows, assets and liabilities, net profits and/or equity. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Operational risk

Operational risk is defined by Rabobank Group as "the risk of losses resulting from inadequate or failed internal processes, people or systems or by external events". Operational risk includes all non-financial risk types. Rabobank Group operates within the current regulatory framework with measuring and managing operational risk, including holding capital for this risk following the "Advanced Measurement Approach", a model used to determine the amount of risk-weighted assets. The operational risk model of Rabobank includes the following elements 1) Internal loss data, 2) External loss data from consortium, 3) Scenario analyses, 4) Business environment and internal control factors (BEICFs). Events in modern international banking have shown that operational risks can lead to substantial losses. Examples of operational risk incidents are highly diverse: fraud or other illegal conduct, failure of an institution to have policies and procedures and controls in place to prevent, detect and report incidents of non-compliance with applicable laws or regulations, inadequate control processes to manage risks, ineffective implementation of internal controls, claims relating to inadequate products, inadequate documentation, errors in transaction processing, system failures and cyberattacks. The global environment Rabobank is operating in requires constant adjustment to changing circumstances. A number of transitional, remedial and regulatory-driven projects have been recently implemented which may result in an increased risk profile. As a result this may lead to the possible increase of the number of operational risk incidents or additional costs of complying with new regulations which could have a material adverse effect on Rabobank Group's reputation or a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Legal risk

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal and arbitration proceedings, whether private litigation or regulatory enforcement action, are brought against it. The outcome of such proceedings is inherently uncertain

and could result in financial loss. Defending or responding to such proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful. Failure to manage these risks could have a negative impact on Rabobank Group's reputation and could have a material adverse effect on Rabobank Group's results of operations. In addition, banking entities generally, including Rabobank Group, are subject to comprehensive regulatory oversight and scrutiny, which may lead to additional regulatory investigations or enforcement actions. These and other regulatory initiatives may result in judgements, settlements, fines or penalties, or cause Rabobank Group to restructure its operations and activities, any of which could have a negative impact on Rabobank Group's reputation or impose additional operational costs and could have a material adverse effect on Rabobank Group's results of operations.

In March 2016 the Dutch Minister of Finance appointed an independent committee which on 5 July 2016 published a recovery framework (the "**Recovery Framework**") on the reassessment of Dutch small and medium-sized enterprises ("**SME**") interest rate derivatives. Rabobank announced its decision to take part in the Recovery Framework on 7 July 2016. The final version of the Recovery Framework was published by the independent committee on 19 December 2016. Rabobank is involved in civil proceedings in the Netherlands relating to interest rate derivatives entered into with Dutch business customers. The majority of these concern individual cases. In addition, there is a collective action regarding interest rate derivatives pending before the Court of Appeal (for which a standstill was agreed to, due to the Recovery Framework, and the few remaining out-of-scope customers will be assessed on an individual basis). These actions concern allegations of misinforming clients with respect to interest rate derivatives. Some of these actions also concern allegations in connection with Rabobank's EURIBOR submissions. Rabobank will defend itself against all these claims. Furthermore, there are pending complaints and proceedings against Rabobank regarding interest rate derivatives brought before "Kifid" (Dutch Financial Services Complaints Authority, *Klachteninstituut Financiele Dienstverlening*), which in January 2015 opened a conflict resolution procedure for SME businesses with interest rate derivatives. With respect to the (re-)assessment of the interest rate derivatives of its Dutch SME business customers and the advance payments made, Rabobank recognised at 31 December 2018 a provision of €316 million (2017: €450 million). At year-end 2018 Rabobank provided all qualifying clients clarity on the outcome. At year-end 2018, Rabobank's payments to clients under the Recovery Framework amounted to €532 million.

A negative outcome of potentially significant claims (including proceedings, collective-actions and settlements and including the developments described above), action taken by supervisory authorities or other authorities, legislation, sector-wide measures, and other arrangements for the benefit of clients and third parties could have a negative impact on Rabobank Group's reputation or impose additional operational costs, and could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations. For further information, see "*Description of Business of Rabobank Group — Legal and arbitration proceedings*" on pages 85 to 86 of this Offering Circular. For relevant specific proceedings, reference is made to pages 169 to 171 of Rabobank Group's audited consolidated financial statements, including the notes thereto, for year ended 31 December 2018, incorporated by reference into this Offering Circular.

Tax risk

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

and results of operations or lead to regulatory enforcement action or may have a negative impact on Rabobank Group's reputation.

Systemic risk

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

Effect of governmental policy and regulation

Rabobank Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union (also known as the "**EU**"), the United States and elsewhere. Areas where changes could have an impact include, but are not limited to: consumer protection regulation, the monetary, interest rate, crisis management, asset quality review, recovery and resolution and other policies of central banks and regulatory authorities, changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates, increased capital requirements and changes relating to capital treatment, changes and rules in competition and pricing environments, developments in the financial reporting environment, stress-testing exercises to which financial institutions are subject, implementation of conflicting or incompatible regulatory requirements in different jurisdictions relating to the same products or transactions, or unfavourable developments producing social instability or legal uncertainty which, in turn, may affect demand for Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

In 2012, the Dutch government introduced a bank tax for all entities that are authorised to conduct banking activities in the Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as of the end of such bank's preceding financial year, with exemptions for equity, deposits that are covered by a guarantee scheme and for certain liabilities relating to insurance business. The levy on short-term funding liabilities is twice as high as the levy on long-term funding liabilities. Rabobank Group was charged a total of €139 million in bank tax in 2018 (2017: €161 million and 2016: €166 million). In addition in 2018, the bank levy payable by Rabobank in Ireland amounted to €20 million (2017: €7 million and 2016: €4 million) and in Belgium amounted to €11 million in 2018 (2017: €11 million).

Since 2015, Rabobank Group has been required to make yearly contributions to the resolution funds which were established to ensure the efficient application of resolution tools and the exercise of the resolution powers conferred to the SRB (as defined below) by the Regulation (EU) No 806/2014, as amended (the "**SRM Regulation**"). In 2016, the contribution to the Dutch National Resolution Fund (the "**DNRF**") amounted to €180 million. In 2017, the contribution to the Single Resolution Fund, which in large part replaces the DNRF, amounted to €184 million. In 2018, the contribution to the Single Resolution Fund amounted to €190 million. There can be no assurance that additional taxes or levies will not be imposed, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

In November 2015, a new way of financing the Dutch deposit guarantee scheme (the "**Dutch Deposit Guarantee Scheme**"), a pre-funded system that protects bank depositors from losses caused by a bank's inability to pay its debts when due, came into force. As of 2016, banks were required to pay a premium on a quarterly basis. The target size of the scheme is 0.8 per cent. of total guaranteed deposits of all banks in the Netherlands. In 2018, Rabobank Group's contribution to the Dutch Deposit Guarantee Scheme amounted to €118 million compared to €142 million in 2017.

Furthermore, the SRM (as defined below) (see the risk factor entitled "*Bank recovery and resolution regimes*") and other new European rules on deposit guarantee schemes will have an impact on Rabobank Group in the years to come. All these factors could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

In February 2013, the European Commission issued a proposal for a financial transactions tax. If the proposal is implemented in its current form, the financial transactions tax would generally be levied, in certain circumstances, on transactions involving certain financial instruments where at least one party is a financial institution and at least one party is established in a participating member state. These participating member states are Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (however, Estonia has since stated that it will not participate). If the proposal is implemented, Rabobank Group may be required to pay the financial transactions tax on certain transactions in financial instruments. The proposal requires further approval by the Council of the European Union and will require consultation with other European Union institutions before it may be implemented by the participating member states. Currently, the proposal is still under discussion, given broad opposition in a number of countries as well as outstanding legal issues. The Dutch Parliament has not adopted the proposal but may do so in the future. The financial transactions tax, if implemented, could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Since 1 January 2013, the tax deductibility of mortgage loan interest payments for Dutch homeowners has been restricted; interest payments on new mortgage loans can only be deducted if the loan amortises within 30 years on a linear or annuity basis. Moreover, the maximum permissible amount of the value of the property of a residential mortgage has been reduced from 104 per cent. in 2014, to 103 per cent. in 2015, to 102 per cent. in 2016 and to 101 per cent. in 2017. This maximum was further reduced to 100 per cent. in 2018. In addition to these changes, further restrictions on tax deductibility of mortgage loan interest payments entered into force as of 1 January 2014. The tax rate against which the mortgage interest payments may be deducted (the "**deductibility maximum**") has been gradually reduced since 1 January 2014 by 0.5 percentage points per year. For taxpayers previously deducting mortgage interest at the 52 per cent. rate (highest income tax rate), the deductibility maximum is set at 49 per cent. in 2019. With effect from 1 January 2020, the deductibility maximum will be reduced by 3 percentage points per year to 37.05 per cent. in 2023. The maximum personal mortgage loan eligible for guarantee by the Dutch Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*), an institution that was founded by the Dutch government in 1993, through the National Mortgage Guarantee Scheme (*Nationale Hypotheek Garantie*) was reduced to €245,000 in 2015, remained unchanged in 2016 and was raised to €247,450 in 2017, to €265,000 in 2018 and to €290,000 in 2019. Changes in governmental policy or regulation with respect to the Dutch housing market could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

On 21 July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. Implementation of the Dodd-Frank Act requires detailed rulemaking by different U.S. regulators, including the Department of the Treasury, the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the SEC, the Federal Deposit Insurance Corporation (the "**FDIC**"), the Office of the Comptroller of the Currency (the "**OCC**"), the Commodity Futures

Trading Commission (the "**CFTC**") and the Financial Stability Oversight Council ("**FSOC**"). The Dodd-Frank Act and other post-financial crisis regulatory reforms in the United States have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement. In addition, the impact of proposals made by the U.S. Congress and the U.S. regulators for further financial regulatory reform with respect to the Dodd-Frank Act and other post-financial crisis regulatory reforms remains uncertain in some cases. For example, on 24 May 2018, President Trump signed into law a financial services regulatory reform bill that received bipartisan support, the Economic Growth, Regulatory Relief, and Consumer Protection Act (the "**EGRRCPA**"). The EGRRCPA makes certain modifications to post-financial crisis regulatory requirements, including the Dodd-Frank Act, that apply to banking organisations of all sizes. While the EGRRCPA will result in significant modifications to certain aspects of the Dodd-Frank Act and other post-financial crisis regulatory requirements, the general effects of such legislation remain uncertain.

The Dodd-Frank Act provides for regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital and prudential standards, (iii) the resolution of failing systemically significant financial institutions, (iv) over-the-counter ("**OTC**") derivatives, (v) the ability of banking entities and their affiliates to engage as principal in proprietary trading activities or to sponsor or invest in or engage in certain transactions with hedge, private equity and other similar funds (the so-called "**Volcker Rule**") and (vi) consumer and investor protection. Implementation of the Dodd-Frank Act and related final regulations is ongoing and has resulted in significant costs and potential limitations on Rabobank Group's businesses and could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

On 10 December 2013, five U.S. federal financial regulatory agencies adopted final regulations to implement the Volcker Rule. The regulations impose limitations and significant costs across all of Rabobank Group's subsidiaries and affiliates and their activities in scope for the Volcker Rule. While the regulations contain a number of exceptions and exemptions that may permit Rabobank Group to maintain certain of its trading and fund businesses and operations, particularly those outside of the United States, aspects of those businesses have been modified to comply with the Volcker Rule. Further, Rabobank Group has spent significant resources to develop a Volcker Rule compliance program mandated by the final regulations and may continue to spend resources as it deems necessary or appropriate, which may be significant, to develop or further develop the Volcker Rule compliance program. The conformance period for most activities and investments under the Volcker Rule ended on 21 July 2015. An extended conformance period for investments and activities related to certain legacy funds ended on 21 July 2017. Rabobank Group has put in place processes under the relevant Volcker Rule compliance program reasonably designed to conform such activities to the Volcker Rule. On 17 July 2018, the relevant U.S. federal agencies released a notice of proposed rulemaking with a request for public comment to amend certain parts of the Volcker Rule. The period to receive comments to the proposal ended on 17 October 2018. In addition, the relevant U.S. federal agencies released a notice of proposed rulemaking on 8 February 2019 to address the EGRRCPA's statutory amendments to certain parts of the Volcker Rule. The comment period for the proposal ended on 11 March 2019, and while such separate rulemaking is pending, the relevant U.S. federal agencies have stated that they will not enforce the Volcker Rule in a manner inconsistent with the amendments under the EGRRCPA.

The Federal Reserve issued a final rule on 18 February 2014 imposing "enhanced prudential standards" with respect to foreign banking organisations ("**FBOs**") such as Rabobank Group. The rule imposes, among other things, liquidity, stress testing, risk management and reporting requirements on Rabobank Group's U.S. operations, which could result in significant costs to Rabobank Group. The final rule became effective with respect to Rabobank Group on 1 July 2016.

In addition, as part of the implementation of the enhanced prudential standards requirement under the Dodd-Frank Act, the Federal Reserve finalised a rule on 14 June 2018 that implements single counterparty credit limits for large bank holding companies, large intermediate holding companies, and large FBOs with

respect to their combined U.S. operations. The final rule, which is applicable to the U.S. operations of FBOs with U.S.$250 billion or more in total global assets, becomes effective with respect to the combined U.S. operations of Rabobank Group on 1 July 2020. Rabobank is in the process of implementing the single counterparty credit limits requirements and it is not possible to give any assurances at this time as to the ultimate scope and nature of any resulting obligations, or the impact they will have on Rabobank Group once implemented. Furthermore, On 8 April 2019, the Federal Reserve issued a notice of proposed rulemaking that revised the framework for applying the enhanced prudential standards applicable to FBOs under Section 165 of the Dodd-Frank Act, as amended by the ECRRCPA, by, among other things, amending standards relating to liquidity, risk management, stress testing, and single-counterparty credit limits. In addition, a separate rulemaking was also issued on 8 April 2019 by the Federal Reserve, the FDIC and the OCC to, among other things, modify the application of capital and liquidity requirements as well as the single counterparty credit limits to the U.S. operations of a FBO. Furthermore, the Federal Reserve has not finalised (but continues to consider) requirements relating to an "early remediation" framework under which the Federal Reserve would implement prescribed restrictions on and penalties against an FBO and its U.S. operations, if the FBO or its U.S. operations do not meet certain requirements.

In the United Kingdom, the Banking Reform Act 2013 received Royal Assent on 18 December 2013. It is a key part of the UK Government's plan to create a banking system that supports the economy, consumers and small businesses. It implements the recommendations of the Independent Commission on Banking, set up by the Government in 2010 to consider structural reform of the UK banking sector. Measures contained in the Banking Reform Act 2013 include the structural separation of the retail banking activities of banks in the United Kingdom from wholesale banking and investment banking activities by the use of a "ring fence".

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

The impact of future regulatory requirements, including Basel III (as defined below) and the EC Banking Package (as defined below), sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**" and such sections of the Code and the regulations thereunder, the Banking Reform Act 2013 and the Dodd-Frank Act will have far-reaching implications and require implementation of new business processes and models and could have a material adverse effect on Rabobank Group's business, financial condition and results of operations. Compliance with the rules and regulations places ever greater demands on Rabobank Group's management, employees and information technology.

Risks relating to changes to accounting standards

Rabobank Group's consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union, which is periodically revised or expanded. Accordingly, from time to time, Rabobank Group is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board ("**IASB**"). It is possible that future accounting standards which Rabobank Group is required to adopt, could change the current accounting treatment that applies to its

consolidated financial statements and that such changes could have a material adverse effect on the Rabobank Group's results of operations and financial condition and may have a corresponding material adverse effect on capital ratios.

Bank recovery and resolution regimes

Intervention Act

In 2012, the Dutch legislator adopted banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the "**Intervention Act**"). The Intervention Act, enacted before the adoption of Directive 2014/59/EU for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (as amended, the "**BRRD**"), contains similar legislation to the rules outlined in BRRD. Pursuant to the Intervention Act, substantial powers were granted to the DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency. The Intervention Act aimed to empower the DNB or the Minister of Finance, as applicable, to commence proceedings leading to: (i) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) transfer of all or part of the business of the relevant bank to a "bridge bank"; and (iii) public ownership (nationalisation) of the relevant bank and expropriation of any claims against the bank (including its outstanding debt securities, which may include the Capital Securities). The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with the DNB in advance and the Dutch Prime Minister must agree with the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset may be entitled to compensation for damage that directly and necessarily results from the expropriation. However, there can be no assurance that such compensation will cover all losses of the relevant beneficiary. Subject to certain exceptions, as soon as any of these proceedings had been initiated by the DNB or the Minister of Finance, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

The Intervention Act was amended following the adoption and implementation of the BRRD and the SRM Regulation, granting to the DNB powers including resolution tools contemplated by the BRRD, although the powers of the Minister of Finance to e.g. expropriate transfer and modify terms of debt securities (including the Capital Securities) have remained.

BRRD

The BRRD was published in the Official Journal of the European Union on 12 June 2014. The BRRD includes provisions to give regulators resolution powers, *inter alia*, to write down the debt of a failing bank (or to convert such debt into shares and other instruments of ownership) to strengthen its financial position and allow it to continue as a going concern, subject to appropriate restructuring measures being taken. The BRRD was implemented into Dutch law on 26 November 2015. It was amended on 7 June 2019 with effect from 27 June 2019 by a further directive ("**BRRD2**") as part of the EC Banking Package (as defined below) in order to implement, amongst other things, the Financial Stability Board's total loss absorbing capacity (TLAC) standard by adapting the existing regime relating to MREL. BRRD must be transposed into national law no later than 28 December 2020 with national regulators having until 1 January 2024 at the latest to impose full MREL requirements on firms.

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up

resolution plans), early intervention powers and resolution tools. Resolution tools include a sale of a business or part of a business, a bridge institution tool, an asset separation tool and a bail-in tool that would enable the write-down and conversion of liabilities (including any instruments such as the Capital Securities which have not previously been written down or converted as discussed below (see "*(Pre-) Resolution Measures*") into shares and other instruments of ownership to strengthen the financial condition of the failing bank and allow it to continue as a going concern subject to appropriate restructuring. Such tools allow the resolution authorities to intervene sufficiently early and quickly in case Rabobank Group is likely to fail with the aim of ensuring the continuity of its critical financial and economic functions, while minimising the impact of the failure on the economy and the financial system. In addition, BRRD provides preferential ranking on insolvency for certain deposits that are eligible for protection by deposit guarantee schemes (including the uninsured element of such deposits and, in certain circumstances, deposits made in non-EEA branches of EEA credit institutions). The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order, among other things, to safeguard financial stability and minimise taxpayers' exposure to losses.

SRM Regulation

The SRM Regulation came into force in part on 19 August 2014. The SRM Regulation complements BRRD and establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in a framework of a single resolution mechanism and a single bank resolution fund (the "**Single Resolution Mechanism**" or "**SRM**"). The SRM Regulation establishes a single resolution board (consisting of representatives from the ECB, the European Commission and the relevant national authorities) (the "**SRB**") that will manage the failing of any bank in the Euro area and in other EU member states participating in the European Banking Union (as defined therein). The provisions of the SRM Regulation relating to the cooperation between the SRB and the national resolution authorities for the preparation of the banks' resolution plans became applicable from 1 January 2015. Under the SRM Regulation, the SRB became fully operational as of 1 January 2015 and as from that date has the powers to collect information and cooperate with the national resolutions authorities for the elaboration of resolution planning. The SRB is also granted the same resolution tools as those set out in the BRRD, including a bail-in tool. The SRM became applicable with effect from 1 January 2016 and the applicable legislation in the Netherlands was implemented on 26 November 2015. In a Dutch context, the DNB is the national resolution authority. While, as Rabobank Group's resolution authority, the SRB is ultimately in charge of the decision to initiate Rabobank Group's resolution, operationally the decision will be implemented in cooperation with the DNB in its capacity as national resolution authority.

In June 2019, the SRM Regulation was amended following the publication of Regulation (EU) 2019/877 (the "**SRM II Regulation**") in the Official Journal as part of the EC Banking Package. The SRM II Regulation makes amendments, *inter alia*, to the SRM Regulation relating to the implementation of TLAC requirements and revisions to provisions relating to MREL. These amendments, which will apply from 28 December 2020, mirror amendments that will be made to the BRRD by BRRD2 as described above under "*BRRD*".

Recovery and resolution plans and powers to address impediments to resolvability

Rabobank Group has drawn up a recovery plan. This plan provides for a wide range of measures that could be taken by Rabobank Group for restoring its financial condition in case it significantly deteriorates. The plan is subject to review by the ECB and must be updated annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the plan. Keeping the recovery plan up to date requires monetary and management resources. Recovery measures could include the strengthening of Rabobank Group's capital by issuing capital instruments in a situation of financial stress.

The SRB, in cooperation with the DNB acting in its capacity as the national resolution authority, draws up a resolution plan for Rabobank Group on a yearly basis providing for resolution actions it may take if Rabobank Group is failing or is likely to fail. In maintaining Rabobank Group's resolution plan, the SRB can

identify any material impediments to its resolvability. Where necessary, the SRB may require the removal of such impediments. This may lead to mandatory restructuring of Rabobank Group, which could lead to high transaction costs, or could make Rabobank Group's business operations or its funding mix to become less optimally composed or more expensive.

Early intervention measures

If Rabobank Group would infringe or, due to a rapidly deteriorating financial condition, would be likely to infringe capital or liquidity requirements in the near future, the ECB has powers to impose early intervention measures on Rabobank Group. A rapidly deteriorating financial condition could, for example, occur in the case of a deterioration of Rabobank Group's liquidity position, or in the case of increasing levels of leverage, non-performing loans or concentrations of exposures. Intervention measures include the power to require changes to the legal or operational structure of Rabobank Group, or its business strategy, and the power to require the Managing Board to convene a meeting of the General Members' Council of Rabobank, failing which the ECB can directly convene such meeting, in both cases with the power of the ECB to set the agenda and require certain decisions to be considered for adoption. Furthermore, if these early intervention measures are not considered sufficient, management may be replaced or a temporary administrator may be installed. A special manager may also be appointed who will be granted management authority over the Issuer instead of its existing executive board members, in order to implement the measures decided on by the ECB.

(Pre-)Resolution measures

If Rabobank or Rabobank Group were to reach a point of non-viability but not (yet) meet the conditions for resolution, the SRB in close cooperation with the national resolution authority can take pre-resolution measures. These measures include the power to write down capital instruments (including instruments such as the Capital Securities) or convert them into shares and other instruments of ownership. These measures are also applicable upon entering into resolution.

If Rabobank meets the conditions for resolution, the SRB may take resolution measures. Conditions for resolution are: (i) the ECB or the SRB determines that Rabobank is failing or is likely to fail, (ii) having regard to the circumstances, there is no reasonable prospect that any alternative private sector or supervisory action would, within a reasonable timeframe, prevent the failure of Rabobank, and (iii) the resolution measure is necessary in the public interest.

Rabobank would be considered to be failing or likely to fail, *inter alia*, if it infringes capital or liquidity requirements or Rabobank's liabilities exceed its assets, or Rabobank is unable to pay its debts and liabilities as they fall due, or there are objective elements to support a determination that this will be the case in the near future. The EBA has published final guidelines on the circumstances in which an institution shall be deemed as 'failing or likely to fail' by supervisors and resolution authorities, which became applicable with effect from 1 January 2016. The guidelines set out the objective elements and criteria which should apply when supervisors and resolution authorities make such a determination and further provide guidance on the approach to consultation and exchange of information between supervisors and resolution authorities in such scenarios.

Resolution tools of the SRB include a sale of a business or part of a business, a bridge institution tool, an asset separation tool and a bail-in tool that would enable the write-down and conversion of debt (such as the Capital Securities) into shares and other instruments of ownership to strengthen the financial condition of the failing bank and allow it to continue as a going concern subject to appropriate restructuring. The SRB also has the power to require the mandatory write-down of capital instruments (including instruments such as the Capital Securities) when a bank enters resolution. If the SRB were to take a resolution measure against Rabobank Group, it will have the power to take full control over Rabobank Group.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the SRB is not subject to (i) requirements to obtain approval or consent from any person

either public or private, including but not limited to the holders of the Capital Securities or from any creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, and including also any notification requirement set out in the terms and conditions governing the Capital Securities, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the SRB can exercise its powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

In addition, potential investors should refer to the risk factors entitled "*Minimum requirement for own funds and eligible liabilities under the BRRD*", "*Resolution powers (including powers to write down debt)*" and "*Change of law*".

The Single Resolution Fund

If a resolution action is taken, Rabobank Group will be eligible for contribution by the Single Resolution Fund. Rabobank Group's resolution will only be eligible for contribution if the holders of relevant capital instruments and other eligible liabilities have made a contribution to loss absorption (by means of a write-down, conversion or otherwise) and recapitalisation equal to an amount not less than 8 per cent. of Rabobank Group's total liabilities (including own funds and measured at the time of the resolution action). This increases the likelihood that the SRB will set a high level of MREL for Rabobank Group (as discussed below), which may have an impact on Rabobank Group's capital and funding costs. Use of resolution funds is also subject to EU state aid rules and requires approval by the European Commission.

It is possible that under the Intervention Act, the BRRD, the SRM, the EBA guidelines mentioned above or any other future similar proposals, any new resolution powers given to the Dutch Central Bank, the Single Resolution Board or another relevant authority could be used in such a way as to result in capital instruments of the Issuer, such as the Capital Securities, absorbing losses or otherwise affecting the rights of Holders either in the course of any resolution of the Issuer or, prior thereto, at the point of non-viability.

The Intervention Act and the BRRD could negatively affect the position of Holders and the credit rating attached to the Capital Securities, in particular if and when any of the above proceedings would be commenced against the Issuer, the application of any such legislation may affect the rights and effective remedies of the Holders as well as the market value of the Capital Securities.

The Intervention Act, BRRD, SRM and the EC Banking Package may require the Issuer to change its business, e.g. by having to reduce its lending or investments in other operations. Such recovery and resolution regimes may also lead to fewer assets of the Issuer being available to investors for recourse for their claims and may lead to lower credit ratings of the Issuer and increase the Issuer's cost of funding. Consequently, these recovery and resolution regimes may have a material adverse effect on the Issuer's business, funding ability, financial position and result of operations.

Minimum requirement for own funds and eligible liabilities under the BRRD

In order to ensure the effectiveness of bail-in and other resolution tools introduced by BRRD, the BRRD requires that with effect from 1 January 2016, all institutions must meet a minimum requirement for own funds and eligible liabilities ("**MREL**"), expressed as a percentage of total liabilities and own funds and set by the relevant resolution authorities. On 23 May 2016, the European Commission adopted regulatory technical standards ("**MREL RTS**") on the criteria for determining the MREL under the BRRD. The MREL RTS were published in the EU Official Journal on 3 September 2016. The MREL RTS provide for resolution authorities to allow institutions an appropriate transitional period to reach the applicable MREL requirements.

Unlike the Financial Stability Board's ("**FSB**") total loss-absorbing capacity ("**TLAC**") principles, the MREL RTS does not set a minimum EU-wide level of MREL, and the MREL requirement applies to all credit

institutions, not just to those identified as being of a particular size or of systemic importance. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each institution within its jurisdiction.

The MREL requirement for each institution will be determined based on a number of key elements, including a loss absorption amount (which will generally as a minimum equate to the institution's capital requirements under CRD IV (as defined below), including applicable buffers), and, in the case of larger institutions, a recapitalisation amount, the amount of recapitalisation needed to implement the preferred resolution strategy identified in the resolution planning process (including to sustain sufficient market confidence in the institution). Other factors to be taken into consideration by resolution authorities when setting the MREL requirement include the extent to which an institution's liabilities are, or are reasonably likely to be, excluded from contributing to loss absorption or recapitalisation; the risk profile and systemic importance of the institution; and the contribution to any resolution that may be made by deposit guarantee schemes and resolution financing arrangements.

On 20 November 2018 and 16 January 2019, the SRB published its 2018 policy statement on MREL, which serves as a basis for setting consolidated MREL targets for banks under the remit of the SRB (including the Issuer). For the 2018 resolution planning cycle, the SRB introduces a series of new features to strengthen banks' resolvability within the European Banking Union, including a refined approach for eligible instruments for consolidated MREL-targets, increased binding subordination requirements and the introduction of binding MREL targets at an individual level. The SRB will continue to develop its MREL policy going forward. After the adoption of the EC Banking Package, the SRB has indicated that the SRB policy will need to be adapted to address in particular TLAC implementation and the new internal MREL requirements. The 2018 SRB MREL policy is part of a multi-year approach for establishing final MREL targets. The SRB has indicated that the 2018 SRB MREL policy is based on the current legal framework but it could review that policy in the course of 2020 on the basis of the publication of the EC Banking Package.

Items eligible for inclusion in MREL include an institution's Tier 1 and Tier 2 capital (within the meaning of the CRR (as defined below)), along with certain eligible liabilities, meaning under currently applicable MREL requirements (which requirements are subject to change following the implementation of BRRD2) liabilities which, *inter alia*, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), do not arise from derivatives, and are not excluded from bail-in.

Whilst there are a number of similarities between the MREL requirements and the FSB's TLAC principles, there are also certain differences, including the express requirement that TLAC-eligible instruments should be subordinated to liabilities excluded from counting as TLAC including, among other things, insured deposits (which is not necessarily the case for all MREL eligible liabilities), and the timescales for implementation. In its final draft for the MREL RTS, the EBA stated that it expects the MREL RTS to be "broadly compatible" with the FSB's TLAC principles. While acknowledging some differences, the EBA considered "these differences do not prevent resolution authorities from implementing the MREL for global systemically important banks ("**G-SIBs**") consistently with the international framework". Further convergence in the detailed requirements of the two regimes, as also proposed by the EBA in its final report on the implementation and design of the MREL framework of 14 December 2016, has been effected by the European Commission in its EC Banking Package. Rabobank has received notification of the SRB's final decision concerning the MREL requirement for 2019. The decision requires that Rabobank Group has to maintain a layer of own funds and MREL eligible instruments of 9.64% of total liabilities and own funds, which resulted from the calibration of the various components of the MREL requirement as described below at 28.58% of Risk Weighted Assets ("**RWAs**") in total based on the balance sheet of Rabobank Group's audited consolidated financial statements for the year ending 31 December 2017. The calibration of the MREL requirement is based on the following components: a loss absorption amount of EUR 30,256 million (15.26% RWA), a

recapitalisation amount of EUR 18,360 million (9.26% RWA) and a market confidence charge of EUR 8,053 million (4.06% RWA). Based on the final SRB policy on MREL for 2019, Rabobank already meets the MREL requirements and no transition period is set. The SRB will evaluate MREL requirements on an annual basis. Moreover, the MREL framework may be subject to substantial change over the coming years, as a result of, amongst other things, the changes envisaged in the EC Banking Package. As a result, it is not possible to give any assurances as to the ultimate scope, nature, timing, disclosure and consequences of breach of any resulting obligations, or the impact that they will have on Rabobank once implemented. If Rabobank Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on Rabobank Group's business, financial position and results of operations. The above requirements and the market's perception of Rabobank Group's ability to satisfy them may adversely affect the market value of the Capital Securities.

Risks relating to the FSB's proposals regarding TLAC

In November 2015, the FSB published the final TLAC standard intended to enhance the loss-absorbing capacity of G-SIBs in resolution. The TLAC standard seeks to ensure that G-SIBs will have sufficient loss absorbing capacity available in a resolution of such an entity, in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. The TLAC standard also includes a specific term sheet for TLAC which attempts to define an internationally agreed standard which is also incorporated in the EC Banking Package (see also the risk factor "*Minimum requirement for own funds and eligible liabilities under the BRRD*" above).

Based on the most recently updated FSB list of G-SIBs published in November 2018, Rabobank is not a G-SIB. However, there can be no assurance that relevant EU or Dutch regulators may not in the future impose comparable requirements on Rabobank or apply the requirements for MREL (see "*Minimum requirement for own funds and eligible liabilities under the BRRD*" above) in a manner which is consistent with the TLAC requirements applicable for G-SIBs, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Minimum regulatory capital and liquidity requirements

Under CRD IV (as defined below), institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of the aggregate total risk exposure amount of Rabobank Group ("**Risk-Weighted Assets**") (of which at least 4.5 per cent. must be Common Equity Tier 1 Capital, up to 2.0 per cent. may be Tier 2 Capital and up to 1.5 per cent. may be Additional Tier 1 instruments). In addition to these so-called minimum or "Pillar 1" "own funds" requirements, the CRD (for example, at Article 128 and following) also introduces capital buffer requirements that are in addition to the minimum "own funds" requirements and are required to be met with Common Equity Tier 1 Capital. It provides for five capital buffers: (i) the capital conservation buffer, (ii) the institution-specific countercyclical capital buffer, (iii) the global systemically important institutions buffer (the "**G-SII Buffer**"), (iv) the other systemically important institutions buffer (the "**O-SII Buffer**") and (v) the systemic risk buffer. When an institution is subject to one of the G-SII Buffer or the O-SII Buffer as well as the systemic risk buffer, either (i) the higher of these buffers applies or (ii) these buffers are cumulative, depending on the location of the exposures which the systemic risk buffer addresses. The capital conservation buffer (2.5 per cent.) and systemic risk buffer (currently 3.0 per cent.) both apply to the Rabobank Group and some or all of the other buffers may be applicable to the Rabobank Group from time to time, as determined by the ECB, the Dutch Central Bank ("**DNB**") or any other competent authority at such time. Any increase in the capital buffer requirements, including an increase of the systemic risk buffer by DNB, may require the Rabobank Group to increase its CET1 Ratio and also its overall amount of MREL.

In addition to the "Pillar 1" and capital buffer requirements described above, CRD IV (for example, at Article 104(1)(a)) contemplates that competent authorities may require additional "Pillar 2" capital to be

maintained by an institution relating to elements of risks which are not fully captured by the minimum "own funds" requirements ("**additional own funds requirements**") or to address macro-prudential requirements.

The EBA published guidelines on 19 December 2014 addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process ("**SREP**"), which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which were implemented with effect from 1 January 2016. Under these guidelines, national supervisors should set a composition requirement for the additional own funds requirements to cover certain risks of at least 56 per cent. Common Equity Tier 1 Capital and at least 75 per cent. Tier 1 Capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements. The EBA published revised guidelines on 19 July 2018 on the common procedures and methodologies for the supervisory review and evaluation process and supervisory stress testing. The revised guidelines have been translated into the official EU languages and published on the EBA website. These revisions, which came into force on 1 January 2019, amend, where relevant, and supplement the existing SREP Guidelines, published on 19 December 2014.

In July 2016, the ECB confirmed that SREP will for the first time comprise two elements: Pillar 2 requirements (which are binding and breach of which can have direct legal consequences for banks) ("**P2R**") and Pillar 2 guidance (with which banks are expected to comply but breach of which does not automatically trigger any legal action) ("**P2G**"). Accordingly, in the capital stack of a bank, the P2G is in addition to (and "sits above") that bank's Pillar 1 capital requirement, its P2R and its combined buffer requirement. It follows that if a bank does not meet its P2G, supervisors may specify supervisory measures but it is only if it fails to maintain its combined buffer requirement (on top of its Pillar 1 and P2R requirements) that the mandatory restrictions on discretionary payments (including payments on its CET1 and Additional Tier 1 instruments, such as the Capital Securities) based on its maximum distributable amount will apply – see further the risk factor entitled "*CRD IV includes capital requirements that are in addition to the minimum capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*". These changes are also reflected in the EC Banking Package. However, there can be no assurance as to the relationship between the "Pillar 2" additional owns funds requirements and the restrictions on discretionary payments and as to how and when effect will be given to the EBA's minimum guidelines and/or the EC Banking Package in the Netherlands, including as to the consequences for an institution of its capital levels falling below the minimum, buffer and additional requirements referred to above.

On 14 February 2019, Rabobank published its 2019 ECB capital requirements, determined pursuant to the SREP. The ECB decision requires that Rabobank maintains a total SREP capital requirement of 9.75 per cent. on a consolidated and unconsolidated basis. The requirement consists of an 8 per cent. minimum own funds requirement and a 1.75 per cent. P2R. The total Common Equity Tier 1 Capital minimum requirement is 6.25 per cent., consisting of the minimum Pillar 1 requirement (4.5 per cent.) and the P2R (1.75 per cent.). In addition, Rabobank is required to comply with the combined buffer requirements consisting of a capital conservation buffer (2.5 per cent. in 2019) and a systemic risk buffer imposed by the DNB of 3 per cent. in 2019 that needs to be applied on top of these Common Equity Tier 1 Capital requirements. This would translate into an aggregate 11.75 per cent. Common Equity Tier 1 Capital requirement for 2019. At the date of this Offering Circular, Rabobank Group complies with these requirements. In the Netherlands, the countercyclical capital buffer currently has been set at zero per cent. by DNB. However, DNB and (in respect of exposures outside the Netherlands) local regulators may set the countercyclical capital buffer at a level other than zero per cent.

The ECB decision also requires that Rabobank maintains a CET1 Ratio of 8.75 per cent. on an unconsolidated basis. This 8.75 per cent. capital requirement is comprised of the minimum Pillar 1 requirement (4.5 per cent.), the P2R (1.75 per cent.) and the capital conservation buffer (2.5 per cent. in 2019).

Rabobank currently intends to maintain an internal management buffer (as described further below) comprising Common Equity Tier 1 Capital over the combined buffer requirement applicable to Rabobank Group. As part of its Strategic Framework 2016-2020, in anticipation of the expected impact of new rules on capital requirements, Rabobank Group targets a minimum CET1 Ratio of 14 per cent. by the end of 2020, but there can be no assurance that this target ratio will be maintained. This target could be revised as a result of (regulatory) developments. As at 31 December 2018, the "phased-in" (meaning the CET1 Ratio under the stage of phase-in capital requirements under the CRR as at such date) CET1 Ratio of Rabobank Group was 16.0 per cent. (the fully loaded CET1 Ratio of Rabobank Group as at 31 December 2018 was 16.0 per cent. and the solo CET1 Ratio of Rabobank Group as at 31 December 2018 was 16.0 per cent.). There can be no assurance, however, that Rabobank will continue to maintain such internal management buffer or that any such buffer would be sufficient to protect against a breach of the combined buffer requirement resulting in restrictions on payments on its Common Equity Tier 1 and Additional Tier 1 instruments, such as the Capital Securities.

Rabobank Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet its minimum regulatory capital requirements, any additional own funds requirements or any capital buffer requirements. Capital requirements may increase if economic conditions or negative trends in the financial markets worsen. Any failure of Rabobank Group to maintain its "Pillar 1" minimum regulatory capital ratios, any "Pillar 2" additional own funds requirements or any capital buffer requirements could result in administrative actions or sanctions, which in turn could have a material adverse impact on Rabobank Group's results of operations. A shortage of available capital may restrict Rabobank Group's opportunities.

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

Basel III has been implemented in the European Economic Area (the "**EEA**") through (i) the Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876) (the "**CRR**") and (ii) the Directive (2013/36/EU) of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/878) (the "**CRD**", and together with the CRR, "**CRD IV**"), which were initially adopted in June 2013. The CRR first entered into force on 1 January 2014 and the CRD became effective in the Netherlands on 1 August 2014 when the provisions of CRD IV were implemented by legislation amending the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) ("**FMSA**") and subordinate legislation, although particular requirements will be phased in over a period of time, to be fully effective by various dates up to 31 December 2021. The EBA has proposed and will continue to propose detailed rules through binding technical standards for many areas including, *inter alia*, liquidity requirements and certain aspects of capital requirements.

In December 2017, the Basel Committee finalised the Basel III reforms (also referred to as "Basel IV" by the industry) (the "**Basel III Reforms**"). This reform complements the initial phase of Basel III announced in 2010 (and implemented in CRD IV) as a response to the global financial crisis. The 2017 reform seeks to restore credibility in the calculation of risk-weighted assets (RWAs) and improve the comparability of banks' capital ratios. Main features of the reform are:

- revisions to the standardised approaches for calculating credit risk, market risk, credit value adjustments ("**CVA**") and operational risk;
- constraints on the use of internal model approaches, e.g. by placing limits on certain inputs used to calculate capital requirements under the internal ratings-based ("**IRB**") approach for credit risk (for metrics such as Probability of Default ("**PD**") and Loss Given Default ("**LGD**")) and by removing the use of internal model approaches for certain asset classes and CVA risk and for operational risk;
- the introduction of an output floor, which limits the benefits banks can derive from using internal models to calculate minimum capital requirements. Banks' calculations of RWAs generated by internal models cannot, in aggregate, fall below 72.5 per cent. of the risk-weighted assets computed by standardised approaches; and
- G-SIBs are subject to higher leverage ratio requirements.

According to the Basel III Reforms, the capital floors and other standards (including a revision of the leverage ratio framework) will become applicable as of 2022 and a transitional regime may apply. On 2 August 2019, the EBA published its policy advice on (amongst other things) the Basel III output floor. The EBA recommended that:

- the output floor, at the 72.5 per cent. level set in the Basel agreement, should be implemented by EU institutions;
- the floored RWAs (REAs) should be used as the basis across RWA(REA)-based capital requirements (including the minimum capital requirement, Pillar 2 requirements and buffer requirements) and at all levels of a banking group (including group consolidated, sub-consolidated and individual level);
- the implementation of the output floor should follow the five-year transitional path from 2022 as set out in the Basel III agreement, including the transitional cap of a 25 per cent. increase in RWAs (REAs); and
- the legislation implementing these changes to the Basel III framework should clarify that the principal loss absorption trigger in additional tier 1 instruments (which would include the Trigger Event for the Capital Securities) should be based on floored ratios (i.e. the common equity tier 1 ratio(s) based on the floored RWAs (REAs)).

For further information on the Basel III Reforms, see "*Regulation of Rabobank Group — Recent Developments*" below.

Of these standards, the introduction of the standardised credit risk RWA (REA) floor is expected to have the most significant impact on the Rabobank Group. The standards for the new standardised credit risk RWA (REA) calculation rules include (i) introduction of new risk drivers, (ii) introduction of higher risk weights and (iii) reduction of mechanistic reliance on credit ratings (by requiring banks to conduct sufficient due diligence, and by developing a sufficiently granular non-ratings-based approach for jurisdictions that cannot or do not wish to rely on external credit ratings). In addition, the standards require banks to apply advanced approaches to risk categories, applying the higher of (i) the RWA (REA) floor based on (new) standardised approaches and (ii) the RWA (REA) floor based on advanced approaches in the denominator of their ratios. The implementation of the standardised RWA (REA) floors is expected to have a significant impact on the calculation of the

Rabobank Group's risk weighted assets due to the substantial difference in RWA (REA) calculated on the basis of advanced approaches and such calculation on the basis of new standardised rules for mortgages and, to a lesser extent, exposures to corporates and other exposures.

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD, the BRRD, the SRM Regulation and a proposed new directive to facilitate the creation of a new asset class of "non-preferred" senior debt (the "**EC Banking Package**"). The EC Banking Package cover multiple areas, including the Pillar 2 framework, the leverage ratio, permission for reducing own funds and eligible liabilities, macro-prudential tools, creditor/depositor hierarchy, a new category of "non-preferred" senior debt, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above. A bill implementing the requirement for senior non-preferred debt in The Netherlands came into force in December 2018.

On 4 December 2018, the EU Council endorsed the agreement between the EU Council Presidency and the EU Parliament on various elements of the EC Banking Package. In February 2019, the Committee of Permanent Representatives endorsed the positions agreed with the EU Parliament on all elements of the EC Banking Package. The agreed measures address three of the key objectives set out by the EU Council roadmap on completing the banking union agreed in 2016: (i) enhancing the framework for bank resolution, in particular the necessary level and quality of the subordination of liabilities (MREL) to ensure an effective and orderly "bail-in" process, (ii) introducing the possibility for resolution authorities to suspend a bank's payments and/or contractual obligations when it is under resolution (the so-called "moratorium tool"), in order to help stabilise the bank's situation and (iii) strengthening bank capital requirements to reduce incentives for excessive risk taking, by including a binding leverage ratio and a binding net stable funding ratio and setting risk sensitive rules for trading in securities and derivatives. Following EU Parliamentary approval in April 2019, the EC Banking Package was published in the Official Journal on 7 June 2019 and came into force on 27 June 2019.

Rabobank, N.A. is subject to U.S. capital adequacy standards. Further, under section 171 of the Dodd-Frank Act (the "**Collins Amendment**"), Utrecht-America Holdings, Inc., which holds Rabobank, N.A. and many of Rabobank Group's U.S. non-bank subsidiaries, became subject to U.S. capital adequacy standards as of 21 July 2015. Those standards require Rabobank Group to maintain capital at the level of Utrecht-America Holdings, Inc. in accordance with U.S. regulatory capital requirements rather than relying on capital maintained at Rabobank Group's top-level parent company. Compliance with the Collins Amendment limits Rabobank Group's ability to deploy capital most efficiently in accordance with its subsidiaries' business needs, and potentially increases the costs of Rabobank Group's operations and may result in capital deficiencies elsewhere in Rabobank Group.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future (including any amendments arising as a result of the EC Banking Package or otherwise), any failure of Rabobank Group to maintain such increased capital and liquidity ratios may result in administrative actions or sanctions, which may have a material adverse effect on Rabobank Group's business, financial condition and results of operations. For further information regarding Basel III and CRD IV, including their implementation in the Netherlands, please see the section entitled "*Regulation of Rabobank Group*".

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

Replacement of Benchmark Indices

Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be "benchmarks" are the subject of increased regulatory scrutiny. Reforms may cause benchmarks to perform

differently than in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated, which introduces a number of risks for Rabobank Group.

These risks include (i) legal risks arising from potential changes required to documentation for new and existing transactions; (ii) financial risks arising from any changes in the valuation of financial instruments linked to benchmark rates; (iii) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (iv) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; and (v) conduct risks arising from the potential impact of communication with customers and engagement during the transition period.

The replacement benchmarks, and the timing of and mechanisms for implementation have not yet been confirmed by benchmark administrators and central banks. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect Rabobank Group. However, the implementation of alternative benchmark rates may, as a result of one or more of the risks set out in the preceding paragraph, have a material adverse effect on Rabobank Group's business, results of operations, financial condition and prospects.

Credit ratings

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

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

Competition

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

Geopolitical developments

Geopolitical developments (such as the impact of the United Kingdom's expected exit from the European Union, trade tensions and sanctions), commodity supply shocks and natural disasters, among other things, can affect the global financial markets. Since the beginning of the 21st century, accounting and corporate governance scandals and financial crises have significantly undermined investor confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

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

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

Key employees

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

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

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

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

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

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

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where euro is different from the potential Investor's Currency (as defined in "*Risks related to the market generally — Exchange rate risks and exchange controls*");

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

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Capital Securities are subordinated obligations

Subject to exceptions provided by mandatory applicable law, the payment obligations under the Capital Securities and Coupons constitute unsecured obligations of the Issuer and Holders shall, in the case of (a) the bankruptcy of the Issuer, or (b) dissolution (*ontbinding*), have a claim for an amount equal to the then Prevailing Principal Amount of the Capital Securities, together with any Outstanding Payments, which shall rank:

(i) subordinated and junior to present or future indebtedness of the Issuer, including but not limited to Tier 2 Capital of the Issuer (other than the Issuer's present or future obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's present or future obligations under the Capital Securities or the Coupons (including, without limitation, the Existing Capital Securities));

(ii) *pari passu* (a) with the Issuer's present or future obligations under the guarantees and contingent guarantees in relation to the Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trust IV, (b) with the Issuer's obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares (if any) of the Issuer and at least *pari passu* with the Issuer's most senior Tier 1 Capital; and

(iii) senior only to the Issuer's present or future obligations under the Participations and any other instruments ranking *pari passu* with the Participations (in accordance with, and by virtue of the subordination provisions of, the Participations) and any other present or future instruments ranking *pari passu* therewith.

By virtue of this subordination, payments to the Holders and Couponholders will, in the case of the bankruptcy or dissolution of the Issuer, only be made after all payment obligations of the Issuer ranking senior to Capital Securities and Coupons have been satisfied.

In addition, any right of set-off by the Holder or Couponholder in respect of any amount owed to such Holder or Couponholder by the Issuer under or in connection with such Capital Security or Coupon shall be excluded. See also the risk factor entitled "*Bank recovery and resolution regimes*".

Loss absorption following a Trigger Event

The Capital Securities are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of (i) the Issuer and (ii) the Rabobank Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Capital Securities and which, in particular, require the Capital Securities and the proceeds of their issue to be available to absorb any losses of the Issuer and the Rabobank Group.

Accordingly, if at any time (i) the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Rabobank Group to the Risk Weighted Assets of the Rabobank Group, in each case calculated on a consolidated basis and expressed as a percentage (the "**CET1 Ratio of the Rabobank Group**") has fallen below 7 per cent. and/or (ii) (for so long as required under applicable Capital Regulations) the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer to the Risk Weighted Assets of the Issuer, in each case calculated on a solo or non-consolidated basis and expressed as a percentage (the "**CET1 Ratio of the Issuer**", and together with the CET1 Ratio of the Rabobank Group, each a "**CET1 Ratio**") has fallen below 5.125 per cent. (a "**Trigger Event**"), the Issuer shall, subject to certain conditions:

(i) (without the need for the consent of the Holders) reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write Down Amount; and

(ii) cancel any Interest which is accrued to the relevant Write Down Date and unpaid.

A Trigger Event may occur on more than one occasion.

Holders may lose all or some of their investment as a result of such a Write Down to the Prevailing Principal Amount. In particular, the Issuer or the Competent Authority may elect to Write Down the Prevailing Principal Amount of the Capital Securities following the occurrence of a Trigger Event such that the CET1 Ratios are restored to a level higher than 7 per cent. in the case of the CET1 Ratio of the Rabobank Group and higher than 5.125 per cent. in the case of the CET1 Ratio of the Issuer. In such an event, the Write Down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been Written Down if the Issuer had elected to Write Down the principal amount of the Capital Securities to the extent necessary thereby to restore the CET1 Ratios to 7 per cent. and 5.125 per cent. respectively. The Write Down of the Capital Securities together with any write down or conversion (to the extent possible) of any Loss Absorbing Instruments, may also result in the CET1 Ratios being restored to greater levels still, as all such instruments are intended to be written down or converted into CET1 instruments by at least the pro rata amount necessary to restore the CET1 Ratios as contemplated above, but the terms of certain instruments may require the further write down or write off or conversion of those instruments.

Although the Write Down Amount is determined by taking into account the write down or conversion of any Loss Absorbing Instruments, the Write Down of the Capital Securities is not conditional on the write down or conversion of such instruments and to the extent that the write down or conversion of any such instruments is not in fact possible for any reason, this shall not impact the effectiveness or otherwise invalidate the Write Down of the Capital Securities and it is possible that the Write Down Amount of the Capital Securities shall be correspondingly increased, as more fully described in Condition 6*(c)*.

Following the giving of a Trigger Event Notice, the Issuer shall procure that (i) a similar notice is given in respect of other Loss Absorbing Instruments in accordance with their terms and (ii) the then prevailing principal amount of each series of Loss Absorbing Instruments (if any) is written down or converted in accordance with their terms following the giving of such Trigger Event Notice. However, the failure by the Issuer to give such notice and/or write down such Loss Absorbing Instruments will not in any way impact the effectiveness of, or otherwise invalidate, any Write Down of the Capital Securities or give Holders any rights as a result of either such failure (and, for the avoidance of doubt, the Write Down Amount may increase as a result thereof).

Any reduction of the Prevailing Principal Amount of a Capital Security shall not constitute a default by the Issuer for any purpose, and the Holders shall have no right to claim for amounts Written Down whether in a bankruptcy or dissolution (*ontbinding*) or otherwise, save to the extent (if any) such amounts are Written Up in accordance with Condition 6*(d)*.

Following any Write Down of the Capital Securities, interest will only continue to accrue on the Prevailing Principal Amount of the Capital Securities following such Write Down, which principal amount is lower than the Initial Principal Amount of the Capital Securities or, as the case may be, the Prevailing Principal Amount of the Capital Securities immediately prior to such Write Down.

The principal amount of any other Additional Tier 1 Instruments of the Issuer, which principal amount is to be written down or converted as a result of the CET1 Ratios falling below the levels that are applicable to the Trigger Event, may not be reduced in conjunction with any Write Down of the Capital Securities.

Following any such Write Down, the Issuer will not in any circumstances be obliged to Write Up the Prevailing Principal Amount of the Capital Securities. A Write Down of the Capital Securities may occur at any time and on more than one occasion. Any redemption of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter, and upon the occurrence of a Tax Law Change or a Capital Event following any such Write Down will further be at the then Prevailing Principal Amount of the Capital Securities, which may be lower than their Initial Principal Amount. To the extent the Issuer does exercise its discretion to Write Up the Capital Securities, such Write Up can only be undertaken as provided in Condition 6*(d)* and is subject to compliance with applicable regulatory restrictions (including the Issuer recording a net profit and subject to the Maximum Distributable Amount).

Investors should note that the risk of a Write Down is an appreciable risk and is not limited to the bankruptcy or dissolution (*ontbinding*) of the Issuer. It may result in the Holders losing some or all of their investment and due to the limited circumstances in which a Write Up may be undertaken, any reinstatement of the Prevailing Principal Amount of the Capital Securities and recovery of such investment may take place over an extended period of time or not at all (including as a result of any prior redemption of the Capital Securities at their then Prevailing Principal Amount). Any Write Down of the Capital Securities or any suggestion of a Write Down could, therefore, materially adversely affect the price or value of the Capital Securities and/or the amounts payable by the Issuer in respect of the Capital Securities.

The market price of the Capital Securities is expected to be affected by fluctuations in the CET1 Ratio of the Rabobank Group and/or the CET1 Ratio of the Issuer. Any indication that the CET1 Ratio of the Rabobank Group is approaching 7 per cent. and/or that the CET1 Ratio of the Issuer is approaching 5.125 per cent. may have an adverse effect on the market price of the Capital Securities. The level of the CET1 Ratio of the

Rabobank Group and/or the CET1 Ratio of the Issuer may significantly affect the trading price of the Capital Securities.

In addition, the Capital Securities may become subject to statutory loss absorption measures — see the risk factors entitled "*Bank recovery and resolution regimes*" above and "*Resolution powers (including powers to write down debt)*" and "*Change of law*" below for further information.

No limitation on issuing pari passu securities; subordination

There is no restriction on the amount of securities which the Issuer may issue and which rank senior to, or *pari passu* with, the Capital Securities and no restriction on the Issuer or any other member of the Rabobank Group issuing securities with similar, different or no trigger event provisions.

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

The ability to transfer the Capital Securities may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Capital Securities

The Capital Securities are a new issue of securities for which there is no established public market.

The Joint Lead Managers have advised the Issuer that they may make a market in the Capital Securities, as permitted by applicable laws and regulations; however, the Joint Lead Managers are not obligated to make a market in the Capital Securities, and they may discontinue their market-making activities at any time without notice. Therefore, there can be no assurance that an active market for the Capital Securities will develop or, if developed, that it will continue. In addition, subsequent to their initial issuance, the Capital Securities may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar Capital Securities, Rabobank's performance and other factors.

The calculation of the CET1 Ratios will be affected by a number of factors, many of which may be outside the Issuer's control

The occurrence of a Trigger Event and, therefore a Write Down of the Prevailing Principal Amount, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Because the CET1 Ratios may be calculated as at any date, a Trigger Event could occur at any time. The calculation of the CET1 Ratio of the Rabobank Group or the CET1 Ratio of the Issuer could be affected by a wide range of factors, including, among other things, factors affecting the level of Rabobank's earnings, the mix of businesses, regulatory changes (including changes to definitions and calculations of the CET1 Ratios and their components or the interpretation thereof by the relevant authorities, including Common Equity Tier 1 Capital and Risk Weighted Assets, in each case on either an individual or a consolidated basis, and the unwinding of transitional provisions under CRD IV), the ability to manage effectively the risk weighted assets in both the ongoing businesses and those Rabobank may seek to exit or changes in Rabobank's structure or organisation. See the section entitled "*Factors that may affect the Issuer's ability to fulfil its obligations under the Capital Securities*" for further information regarding factors that could have a material adverse effect on Rabobank's results of operations. The calculation of the CET1 Ratios also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which any permitted discretion under the applicable accounting rules is exercised as well as changes to or to the interpretation of regulatory requirements, including the expiry of any transitional arrangements for the calculation of the CET1 Ratios permitted by the Competent Authority.

The usual reporting cycle of the Issuer is for the CET1 Ratio of the Rabobank Group and the CET1 Ratio of the Issuer to be reported on a semi-annual basis in conjunction with the Issuer's financial reporting, which may

mean investors are given limited warning of any deterioration in the CET1 Ratios. Notwithstanding the above, and for the avoidance of doubt, a Trigger Event may occur on any date.

The factors that influence the CET1 Ratio of the Rabobank Group may not be the same as the factors that influence the CET1 Ratio of the Issuer. For example, an event that has a negative impact on any of the Rabobank Group's subsidiaries may have a greater relative impact on the CET1 Ratio of the Rabobank Group than on the CET1 Ratio of the Issuer. Conversely, an event that has a negative impact on the Issuer may have a greater relative impact on the CET1 Ratio of the Issuer than on the CET1 Ratio of the Rabobank Group. As at 31 December 2018, the fully loaded CET1 Ratio of Rabobank Group was 16.0 per cent. and the solo CET1 Ratio of Rabobank Group was 16.0 per cent. The capital instruments eligible as Common Equity Tier 1 capital of the Issuer are the same as the capital instruments eligible as Common Equity Tier 1 capital of the Rabobank Group, but the risk weighted assets and deductions of the own funds of the Issuer are lower than the risk weighted assets and deductions of the own funds of the Rabobank Group, because a number of legal entities, which are not part of the Issuer, are included for the purposes of calculating risk weighted assets and own funds at the Rabobank Group level, but not at the Issuer level.

Since a Trigger Event will occur if either CET1 Ratio threshold is breached regardless of whether or not the other CET1 Ratio threshold is breached, the additional uncertainties resulting from differences in the factors affecting the two CET1 Ratios may have an adverse impact on the market price or the liquidity of the Capital Securities.

As discussed above, either CET1 Ratio could be affected by a number of factors. Each CET1 Ratio will also depend on the Rabobank Group's decisions relating to its businesses and operations, as well as the management of its capital position. The Rabobank Group will have no obligation to consider the interests of the Holders in connection with its strategic decisions, including in respect of its capital management. Holders will not have any claim against the Issuer or any other member of the Rabobank Group relating to decisions that affect the business and operations of the Rabobank Group, including the Rabobank Group's capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Holders to lose all or part of the value of their investment in the Capital Securities.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount may be Written Down. Accordingly, the trading behaviour of the Capital Securities may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the CET1 Ratio of the Rabobank Group and/or the CET1 Ratio of the Issuer is approaching the level that would cause a Trigger Event may have an adverse effect on the market price and liquidity of the Capital Securities. Under such circumstances, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to more conventional investments.

Interest payments may be cancelled on a discretionary or mandatory basis

Payment of Interest on any Interest Payment Date is at the sole discretion of the Issuer. The Issuer may elect not to pay Interest, in whole or in part, on any Interest Payment Date. The Issuer may make such election for any reason.

Any Interest not paid will be cancelled, and Holders will have no right to receive such cancelled Interest (or any amount in respect thereof) in any circumstances.

Further, the Competent Authority has wide-ranging powers given to it pursuant to Article 104 of the CRD for the purpose of the supervisory review and evaluation process under that directive (see the risk factor entitled "*CRD IV includes capital requirements that are in addition to the minimum capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payment*"). These

powers include, *inter alia*, a general power to restrict or prohibit interest payments to holders of Additional Tier 1 securities, such as the Capital Securities. There are no ex-ante limitations on the discretion to exercise this power.

In addition, payment of Interest will be prohibited if and to the extent that (i) the Issuer's Distributable Items are insufficient to fund the relevant payment (when aggregated with certain other interest payments or distributions which have been paid or are required to be paid during the then current Financial Year on other own funds items) and/or (ii) payment would cause any Maximum Distributable Amount then applicable to be exceeded.

The capacity of the Issuer to make interest payments may also be affected by its compliance with all capital requirements applicable from time to time. For a discussion of current capital requirements applicable to the Rabobank Group, see the risk factor entitled "*CRD IV includes capital requirements that are in addition to the minimum capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payment*". As a result of the diminishing effect of the transitional provisions under CRD IV over time, the Rabobank Group will be required to meet more onerous capital requirements. There can be no assurance that additional new and more onerous requirements will not apply in the future and such requirements may also affect the Issuer's capacity to make payments of interest. Further, even if the Rabobank Group were to meet any such enhanced capital requirements, the Competent Authority may exercise its powers pursuant to Article 104 of the CRD to restrict or prohibit interest payments to holders of the Capital Securities.

Payment of interest may also be affected by any application of the legislation in the Netherlands implementing the BRRD. See the risk factors entitled "*Resolution powers (including powers to write down debt)*" and "*Bank recovery and resolution regimes*".

Insufficient Distributable Items

Payments of Interest due on any Interest Payment Date will be prohibited and will not be paid if and to the extent that the amount of such Interest payment otherwise due, together with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Capital Securities and other own funds items (which, for the avoidance of doubt, excludes any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate exceed the amount of Distributable Items of the Issuer as at such Interest Payment Date. Accordingly, the amount of Distributable Items available for this purpose may be affected, *inter alia*, by other discretionary interest payments or CET1 distributions. See further "*The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items may restrict the Issuer's ability to make interest payments on the Capital Securities*" below. The total amount of distributable items amounted to €27.7 billion as at 30 June 2019.

Maximum Distributable Amount

The Issuer shall not, to the extent required by Capital Regulations, pay any Interest otherwise due on an Interest Payment Date if and to the extent that the payment of such Interest would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD (or any provision of applicable law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) transposing or implementing Article 141(2) of the CRD, as amended or replaced, or any equivalent or similar law or rule or provision of the Capital Regulations, in each case to the extent then applicable to the Issuer), the Maximum Distributable Amount (if any) then applicable to be exceeded. See further "*CRD IV includes capital requirements that are in addition to the minimum capital requirement. These additional capital requirements*

will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments" below.

Consequences of cancellation

Any Interest payment (or part thereof) cancelled and not paid on any relevant Interest Payment Date or repayment date by reason of Condition 5 shall be cancelled and shall not accumulate or be payable at any time thereafter, and Holders will have no claim for any amount in respect of Interest not paid in such circumstances and no right to receive any additional interest or compensation as a result of such non-payment. Non-payment of any Interest (or part thereof) will not constitute a default by the Issuer for any purpose, and the Holders shall have no right thereto whether in a bankruptcy or dissolution (*ontbinding*) of the Issuer or otherwise. Thus, any Interest payment not paid as a result of the Issuer's election to cancel Interest or as a result of the mandatory restrictions described above will be lost and the Issuer will have no obligation to make payment of such Interest or to pay Interest thereon.

If the Issuer elects to cancel, or is prohibited from paying, Interest on the Capital Securities at any time, this imposes no restrictions on the Issuer. For the avoidance of doubt, there is no restriction (other than any restriction imposed by any applicable law or regulation) on the Issuer from otherwise making distributions or any other payments to the holders of the Participations or any other securities of the Issuer, including securities ranking *pari passu* with, or junior to, the Capital Securities.

Any actual or anticipated cancellation or reduction of Interest payments can be expected to have a significant adverse effect on the market price of the Capital Securities and any trading market for the Capital Securities could be severely restricted. In addition, as a result of the interest cancellation and reduction provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation or reduction and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items may restrict the Issuer's ability to make interest payments on the Capital Securities

The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore its ability to make interest payments under the Capital Securities, are a function of its existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior and parity ranking instruments.

The level of the Issuer's Distributable Items may be affected by changes to regulation, changes to Dutch and European accounting standards or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

Further, the Issuer's Distributable Items, and therefore its ability to make Interest Payments on the Capital Securities, may be adversely affected by a wide range of factors, including, among other things, factors affecting the level of the Rabobank Group's earnings, the mix of businesses, the ability to manage effectively the risk weighted assets in both the ongoing businesses and those the Rabobank Group may seek to exit or changes in the Rabobank Group's structure or organisation. In addition, adjustments to earnings, as determined by the Issuer, may fluctuate significantly and may materially adversely affect Distributable Items.

The Issuer shall not make an Interest payment on the Capital Securities on any Interest Payment Date or repayment date (and such Interest payment shall therefore be cancelled) if the level of Distributable Items is insufficient to fund that payment, as discussed under "*Insufficient Distributable Items*" above and as provided in Condition 5*(b)*.

CRD IV includes capital requirements that are in addition to the minimum capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments

Under Article 141 of the CRD, EU Member States must require that institutions that fail to meet the "combined buffer requirement" (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution), the systemic risk buffer, the global systemically important institutions buffer and the other systemically important institution buffer, in each case as applicable to the institution) will be subject to restricted "discretionary payments" (which are defined broadly by CRD IV as distributions in connection with Common Equity Tier 1 capital, payments on Additional Tier 1 instruments (such as Interest Amounts on the Capital Securities) and payments of variable remuneration). The restrictions, which transitioned in to effect starting from 1 January 2016, are scaled according to the extent of the breach of the "combined buffer requirement" and calculated as a percentage of the profits of the institution since the most recent decision on the distribution of profits or "discretionary payment". Such calculation will result in a "maximum distributable amount" in each relevant period, which is calculated at each level of supervision. As an example, the scaling is such that in the bottom quartile of the "combined buffer requirement", no "discretionary distributions" will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce discretionary payments, including potentially exercising the discretion to cancel (in whole or in part) Interest payments in respect of the Capital Securities. Further, there can be no assurance that the Rabobank Group's or the Issuer's combined buffer requirement specifically, or the Rabobank Group's or the Issuer's other capital requirements more generally, will not be increased in the future, which may exacerbate the risk that "discretionary payments", including payments of Interest on the Capital Securities, are cancelled.

In addition, the EC Banking Package introduces consequences of breaching MREL requirements. A failure by the Issuer to comply with MREL requirements means the Issuer could become subject to the restrictions on certain discretionary payments, including payments on Additional Tier 1 instruments such as the Capital Securities (subject to a potential nine-month grace period in case specific conditions are met). A new Article 16a is included in BRRD to clarify, for the purposes of restrictions on distributions, the relationship between the additional own funds requirements, the minimum own funds requirements, the MREL requirement and the combined buffer requirement (the so called "stacking order"). Under the new Article 16a of BRRD, an institution such as the Issuer shall be considered as failing to meet the combined buffer requirement for the purposes of Article 141 CRD where it does not have MREL in an amount and of the quality needed to meet, at the same time, the requirement defined in Article 128(6) of the CRD (i.e. the combined buffer requirement) as well as each of the minimum own funds requirements, the additional own funds requirements and the MREL requirement. The new requirement recognises that breaches of the combined buffer requirement (whilst still complying with Pillar 1 and Pillar 2 capital requirements) may be due to a temporary inability to issue new eligible debt for MREL purposes. For these situations, the proposal envisages a nine month grace period before restrictions under Article 141 CRD will apply. During the grace period, the relevant authorities will be able to exercise other powers available to them that are appropriate in view of the financial situation of the relevant institution.

The EC Banking Package also introduces a restriction for global systemically important institutions ("**G-SIIs**") on distributions (including on payments of AT1 instruments, such as the Capital Securities) in case of failure to meet the leverage ratio buffer requirement. On the date of this Offering Circular, Rabobank is not a G-SII. However, future extension of this restriction on non-G-SIIs is possible, and there can be no assurance that relevant EU or Dutch regulators may not in the future apply a leverage ratio buffer requirement to Rabobank, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

The Rabobank Group's and the Issuer's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. See "*The calculation of the CET1 Ratios will be affected by a number of factors, many of which may be outside the Issuer's control*" for a discussion of some of these factors. Holders of the Capital Securities may not be able to predict accurately the proximity of the risk of discretionary payments (of Interest and principal) on the Capital Securities being prohibited from time to time as a result of the operation of Article 141 of the CRD and Article 16a BRRD.

The implementation of Article 141 of the CRD and Article 16a BRRD in the Netherlands, including its inter-relationship with the minimum and additional capital requirements, buffers and macro-prudential tools referred to above (including the calculation of the maximum distributable amount), remains uncertain in many respects. Such uncertainty can be expected to subsist while the relevant authorities in the EU and the Netherlands continue to develop their approach to the application of the relevant rules.

There can be no assurance, however, that any of the minimum own funds requirements, additional own funds requirements, buffer capital requirements or MREL requirements applicable to the Rabobank Group and/or the Issuer will not be amended in the future to include new and more onerous capital requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Capital Securities. See further the risk factors entitled "*Minimum regulatory capital and liquidity requirements*" and "*Interest payments may be cancelled on a discretionary or mandatory basis*".

Perpetual Securities

The Capital Securities are perpetual securities which have no scheduled repayment date. Holders of Capital Securities have no ability to require the Issuer to redeem their Capital Securities. In addition, Holders have limited enforcement remedies in the case of non-payment as there are no events of default under the Capital Securities or the Coupons – see "*Limited remedies in the case of non-payment under the Capital Securities*".

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

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

(b) by selling their Capital Securities; or

(c) by claiming for any principal amounts due and not paid in any bankruptcy or dissolution (*ontbinding*) of the Issuer.

All, but not some only, of the Capital Securities may be redeemed at the option of the Issuer, subject to, *inter alia*, the prior approval of the Competent Authority and Capital Regulations then in force, on the First Call Date or on any Interest Payment Date thereafter, at their then Prevailing Principal Amount (which may be lower than their Initial Principal Amount), together with any Outstanding Payments, as further provided in the Conditions. Under the CRR, the Competent Authority will give its consent to a redemption of the Capital Securities in such circumstances provided that either of the following conditions is met:

(i) on or before such redemption of the Capital Securities, the Issuer replaces the Capital Securities with instruments qualifying as Tier 1 Capital of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any applicable capital buffer requirements) by a margin (calculated in accordance with applicable Capital Regulations) that the Competent Authority considers necessary at such time.

The Capital Securities are also redeemable following a Capital Event, a Tax Law Change, or may be repurchased pursuant to Condition 7*(g)* on or after the Issue Date at the option of the Issuer in whole but not in part, at any time, at their then Prevailing Principal Amount (which may be lower than their Initial Principal Amount, together with any Outstanding Payments), subject to the prior approval of the Competent Authority and Capital Regulations then in force, as further described in Conditions 7*(c)* and 7*(d)*. The CRR further provides that the Competent Authority may only approve any such redemption or repurchase of the Capital Securities before the fifth anniversary of the Issue Date if, in addition to meeting the conditions referred to in either one of paragraphs (i) or (ii) above, the following conditions are also met:

(A) in the case of any such redemption upon the occurrence of a Capital Event, (x) the Competent Authority considers the change in the regulatory classification of the Capital Securities to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Competent Authority that such change in the regulatory classification of the Capital Securities was not reasonably foreseeable at the Issue Date;

(B) in the case of any such redemption upon the occurrence of a Tax Law Change, the Issuer demonstrates to the satisfaction of the Competent Authority that such change in applicable tax treatment of the Capital Securities is material and was not reasonably foreseeable at the Issue Date; or

(C) in the case of a purchase pursuant to Condition 7(g), the Issuer before or at the same time as such purchase, replaces the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority permits such action on the basis of the demonstration that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or the Capital Securities being purchased for market-making purposes in accordance with prevailing Capital Regulations.

The above conditions to any redemption or purchase of the Capital Securities upon the occurrence of a Capital Event, Tax Law Change or pursuant to Condition 7*(g)* only apply to any such redemption or purchase of the Capital Securities before the First Call Date and the Issuer may exercise its option to redeem the Capital Securities in such circumstances on the First Call Date or on each Interest Payment Date thereafter (including as a result of a Capital Event or a Tax Law Change that occurred before the First Call Date) without complying with these conditions. However, it will still need to comply with the conditions referred to in one of paragraphs (i) or (ii) above.

There can be no assurance that Holders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities.

The availability of any right on the part of the Issuer to redeem the Capital Securities (or the perception that such a right may become available) may affect the market price of the Capital Securities.

The Interest Rate on the Capital Securities will be reset on each Reset Date, which may affect the market value of the Capital Securities

The Capital Securities will initially earn Interest at a fixed rate of interest to, but excluding, the First Call Date. From, and including, the First Call Date, however, and every Reset Date thereafter, the Interest Rate will be reset as described in Condition 4*(b)*. This reset rate could be less than the Initial Interest Rate and/or the Interest Rate that applies immediately prior to such Reset Date, which could affect the amount of any Interest payments under the Capital Securities and therefore the market value of an investment in the Capital Securities.

Benchmarks regulation and reform

The Euro-zone inter-bank offered rate ("**EURIBOR**") is the subject of ongoing regulatory reform (including as a result of the Benchmarks Regulation which entered into force on 1 January 2018). Following the implementation of any such potential reforms, the manner of administration of benchmarks will change, with

the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences, including those which cannot be predicted. For example, in March 2017, the European Money Markets Institute (the "**EMMI**") (formerly EURIBOR-EBF) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR and on 19 February 2019, following the publication of its second consultation paper on a hybrid methodology for EURIBOR, EMMI released the time series of the "Hybrid Euribor Testing Phase".

The potential elimination of, or the potential changes in the manner of administration of, the EURIBOR benchmark (or any Successor Rate or Alternative Rate which replaces EURIBOR under the Conditions, together, the "**Original Reference Rate**") could require an adjustment to the Terms and Conditions of the Capital Securities to reference an alternative benchmark for the purposes of calculating the Reset Reference Rate, or result in other consequences, including those which cannot be predicted.

If the Original Reference Rate is permanently discontinued, the Issuer may, after using reasonable endeavours to appoint and consult with an Independent Adviser, determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate when calculating the Reset Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Reset Reference Rate may result in the Capital Securities performing differently (including paying a lower Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Benchmark Events include (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; (ii) a public statement by the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; (v) it becoming unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate; or (vi) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser. After consulting with the Independent Adviser (if any), the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, despite the continued availability of the Original Reference Rate. The use of any Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in the Capital Securities performing differently (which may include payment of a lower Interest Rate) than they would do if the Original Reference Rate were to continue to be referenced. In addition, the market (if any) for Capital Securities linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Capital Securities linked to the Original Reference Rate.

Furthermore, if a Successor Rate or Alternative Rate is determined by the Issuer (following consultation with the Independent Adviser), the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure

the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer (following consultation with the Independent Adviser), the Conditions also provide that an Adjustment Spread will be applied to such Successor Rate or Alternative Rate. The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Issuer (following consultation with the Independent Adviser) determines that no such spread is customarily applied, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser, determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be. While any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Capital Securities may not do so and may result in the Capital Securities performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

In addition, if the Original Reference Rate is discontinued permanently, and the Issuer, for any reason, is unable to determine any Successor Rate or Alternative Rate, the Rate of Interest may revert to the Interest Rate applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued, and such Interest Rate will continue to apply until maturity.

Due to the uncertainty concerning the availability of successor rates and alternative reference rates, the involvement of an Independent Adviser and the possibility that a licence or registration may be required under applicable legislation for establishing and publishing fallback interest rates, the relevant fallback provisions may not operate as intended at the relevant time. In addition, uncertainty as to the continuation of EURIBOR, the availability of quotes from reference banks to allow for the continuation of EURIBOR, and the rate that would be applicable if EURIBOR is discontinued may also adversely affect the trading market and the value of the Capital Securities. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Capital Securities will be. More generally, any of the above changes or any other consequential changes to EURIBOR as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, the Capital Securities.

Substitution and Variation upon the occurrence of a Capital Event

Upon the occurrence and continuation of a Capital Event, the Issuer may, subject as provided in Condition 7*(b)* and without the need for any consent of the Holders, substitute all (but not some only) of the Capital Securities, or vary the terms of the Capital Securities so that they remain or, as appropriate, become, Compliant Securities. The tax and stamp duty consequences of holding Compliant Securities following a substitution could be different for some categories of holder from the tax and stamp duty consequences for them of holding Capital Securities.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Capital Securities. Any such substitution or variation which is considered by the Competent Authority to be material shall be treated by it as the issuance of a new instrument. Therefore, the Capital Securities, as so substituted or varied, must be eligible as Additional Tier 1 Capital in accordance with then prevailing Capital Regulations, which may include a requirement that (save in certain prescribed circumstances) the Capital Securities may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

Limited remedies in the case of non-payment under the Capital Securities

The Conditions of the Capital Securities do not provide for events of default allowing acceleration of the Capital Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Capital Securities, including the payment of any Interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to a Holder for recovery of amounts owing in respect of any payment of principal or Interest on the Capital Securities will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The right of Holders to institute proceedings to enforce any payment obligations under or arising from the Capital Securities is limited to circumstances where payment has become due and has not been made for 14 days or more as further described in Condition 9. The Capital Securities are perpetual securities and the Issuer may only redeem them, and make Interest payments in respect of them, if certain conditions are met. Even if such conditions are met, the Issuer is under no obligation to make any payment, whether of principal or Interest, on the Capital Securities. The Issuer is under no obligation to redeem the Capital Securities. In the case of any Interest payment, even if not required to cancel such payment, the Issuer may elect to cancel that payment at its discretion. In these circumstances no payment, whether of principal or Interest, will be due. The sole remedy available to Holders will be to institute proceedings to demand payment of principal in any circumstances or pursue any other remedy.

In the event of (a) the bankruptcy of the Issuer or (b) dissolution (*ontbinding*), Holders will have a subordinated claim (as set out in Condition 3*(b)*), but Holders cannot themselves petition for the bankruptcy of the Issuer or for its dissolution.

Resolution powers (including powers to write down debt)

The Bank Recovery and Resolution Directive, or BRRD, was published in the Official Journal of the European Union on 12 June 2014. The BRRD includes provisions (known as the bail-in tool) to give regulators resolution powers, *inter alia*, to write down the debt of a failing bank (or to convert such debt into capital) to strengthen its financial position and allow it to continue as a going concern, subject to appropriate restructuring measures being taken. In addition to this general bail-in tool, the BRRD provides for resolution authorities to have the further powers permanently to write-down, or convert into shares and other instruments of ownership, Additional Tier 1 capital instruments (such as the Capital Securities) and Tier 2 capital instruments at the point of non-viability of the bank and before any resolution is commenced or concurrently with other resolution measures. A legislative proposal for the implementation of the BRRD in the Netherlands was made public in November 2014 for consultation and was implemented into Dutch law on 26 November 2015.

Accordingly, it is possible that, pursuant to the Bank Recovery and Resolution Directive or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the Dutch Central Bank or another relevant authority/ies (each, a "**Relevant Authority**") which could be used in such a way as to result in the Capital Securities absorbing losses ("**Statutory Loss Absorption**").

Pursuant to the exercise of any Statutory Loss Absorption measures, the Capital Securities could become subject to a determination by the Relevant Authority or the Issuer (following instructions from the Relevant Authority) that all or part of the principal amount of the Capital Securities, including accrued but unpaid Interest in respect thereof, must be written off or otherwise converted into shares and other instruments of ownership or otherwise be applied to absorb losses. Such determination shall not constitute a default under the Capital Securities and Holders will have no further claims in respect of any amount so written off or otherwise as a result of such Statutory Loss Absorption. Any such Statutory Loss Absorption may be applied by the Relevant Authority either at the point of non-viability (and independently of resolution action) or together with a resolution action.

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

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

Modification and waiver

The Terms and Conditions of the Capital Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and/or vote at the relevant meeting and Holders who voted in a manner contrary to the majority. The Agency Agreement also provides that a resolution in writing signed by or on behalf of the Holders of not less than 90 per cent. in nominal amount of the Capital Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

The Agency Agreement and the Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of the Holders or Couponholders or any other person, (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or (ii) in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the Holders or the Couponholders.

Section C: Risks related to the market generally

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

The secondary market generally

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

conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Capital Securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and Interest on the Capital Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Capital Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (iii) the Investor's Currency-equivalent market value of the Capital Securities. If the currency of the country in which the Holder is resident is not the euro, the Holder is exposed to the risk of fluctuations in the exchange rate between such currency and the euro. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no Interest or principal at all.

Credit ratings may not reflect all risks

The Capital Securities are expected to be assigned on issue a rating of Baa3 by Moody's and BBB- by Fitch. There can be no assurance that the methodology of the ratings agencies will not evolve or that any ratings, once given, will not be suspended, reduced or withdrawn at any time by the assigning rating agency.

The credit rating(s) of the Capital Securities from time to time may not be reliable and changes to the credit ratings could affect the value of the Capital Securities. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities. In addition, any reduction in the credit ratings of the Capital Securities or deterioration in the capital market's perception of Rabobank's financial resilience following any such downgrade, could adversely affect the trading price of the Capital Securities.

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

In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Capital Securities may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to any Capital Securities, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Capital Securities.

Legality of purchase

Neither the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of the Capital Securities by a prospective investor in the Capital Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. The Joint Lead Managers are also required to comply with the PI Rules and as a result of this compliance, prospective investors will be required to give the representations, warranties, agreements and undertakings as set out on page 1 of this Offering Circular.

Legal investment considerations may restrict certain investments

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

Change of law

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

Dutch tax risks related to the government's approach on tax avoidance and tax evasion

The Dutch government intends to introduce a withholding tax on interest paid directly or indirectly by a Dutch entity to a creditor that is a group or related creditor and that is resident in a low tax jurisdiction or a non-cooperative jurisdiction. It is intended that this withholding tax is levied as of 2021. The legislative proposal introducing the withholding tax on interest is expected to be published in 2019.

The Dutch Government intends to introduce a thin capitalisation rule for banks and insurers as of 2020 for which a draft legislative proposal has been published which was subject to public consultation. Based on the draft legislative proposal, the thin capitalisation rule would limit the deduction of interest payments on debt instruments if, in broad terms, the leverage ratio of a bank, or the own funds ratio of an insurer, is less than 8 per cent. The draft legislative proposal suggests that this thin capitalisation rule will apply solely to banks and insurers with a licence or notification of the Dutch Central Bank to operate as such in The Netherlands (including the Issuer). The legislative proposal introducing the thin capitalisation rule for banks and insurers is expected to be published in September 2019

IMPORTANT INFORMATION

Responsibility statement

Rabobank accepts responsibility for the information contained in this Offering Circular and confirms that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Documents incorporated by reference

This Offering Circular is to be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Offering Circular and that have been filed with Euronext Dublin:

(a) the articles of association of Rabobank effective from 1 January 2018;

(b) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2017 and 2018 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto);

(c) the audited unconsolidated financial statements of Rabobank for the years ended 31 December 2017 and 2018 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto); and

(d) the Rabobank Group Interim Report 2019 including the unaudited condensed consolidated interim financial information of Rabobank Group for the six months ended 30 June 2019 (together with the independent auditor's review report thereon and explanatory notes thereto).

Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in this Offering Circular or in any of the documents incorporated by reference in, and forming part of, this Offering Circular shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement modifies or supersedes such statement.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular is delivered, a copy of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above, in which case the modified or superseding version of such document will be provided. Such documents may be obtained (i) from the Issuer at its registered office set out at the end of this Offering Circular, (ii) by telephoning the Issuer on +31 (0)30 2160000 or (iii) from the Issuer's website at https://www.rabobank.com/en/investors/funding/capital/index.html.

The contents of websites referenced in this Offering Circular do not form any part of this Offering Circular.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Issuer's products), are forward-looking statements.

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

Important factors that could cause the Rabobank Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes or downturns in the Dutch economy or the economies in other countries in which the Rabobank Group conducts business, the impact of fluctuations in foreign exchange rates and interest rates and the impact of future regulatory requirements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

These forward-looking statements speak only as of the date of this Offering Circular. Other than as required by law or the rules and regulations of the relevant stock exchange, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The foregoing paragraph applies to those forward-looking statements which are both set out in this Offering Circular and which are incorporated by reference herein — see "*Important Information — Documents incorporated by reference*".

OVERVIEW

The Overview below describes the principal terms of the Capital Securities. The section of this Offering Circular entitled "Terms and Conditions of the Capital Securities" contains a more detailed description of the Capital Securities. Capitalised terms used but not defined in this Overview shall bear the respective meanings ascribed to them in "Terms and Conditions of the Capital Securities".

Issuer of the Capital Securities	Coöperatieve Rabobank U.A..
Joint Lead Managers	Coöperatieve Rabobank U.A. Credit Suisse Securities (Europe) Limited Goldman Sachs International J.P. Morgan Securities plc Morgan Stanley & Co. International plc
Fiscal Agent	Deutsche Bank AG, London Branch.
Paying Agents	The Fiscal Agent and Coöperatieve Rabobank U.A.
Issue Size	EUR 1,250,000,000
Maturity Date	The Capital Securities are perpetual securities and have no scheduled maturity date.
Issue Date	9 September 2019
Ranking	The payment obligations under the Capital Securities and the Coupons will constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. Subject to exceptions provided by mandatory applicable law, in the case of (a) the bankruptcy of the Issuer or (b) dissolution (*ontbinding*), the Holders shall have a claim for an amount equal to the then Prevailing Principal Amount of the Capital Securities, together with any Outstanding Payments, which shall rank: (i) subordinated and junior to present or future indebtedness of the Issuer, including but not limited to Tier 2 Capital of the Issuer, (other than the Issuer's present or future obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's present or future obligations under the Capital Securities or the Coupons (including, without limitation, the Existing Capital Securities)); (ii) *pari passu* (a) with the Issuer's present or future obligations under the guarantees and contingent guarantees in relation to the

Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trust IV, (b) with the Issuer's present or future obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares (if any) of the Issuer and at least *pari passu* with the Issuer's most senior Tier 1 Capital; and

(iii) senior only to the Issuer's present or future obligations under the Participations and any other instruments ranking *pari passu* with the Participations (in accordance with, and by virtue of the subordination provisions of, the Participations) and any other instruments ranking *pari passu* therewith.

By virtue of such subordination, payments to the Holders and Couponholders will, in the case of the bankruptcy or dissolution of the Issuer, only be made after all payment obligations of the Issuer ranking senior to the Capital Securities and Coupons have been satisfied.

Interest

The Capital Securities will bear Interest at an initial interest rate of 3.250 per cent. per annum on their Prevailing Principal Amount, from (and including) the Issue Date to (but excluding) 29 December 2026 (the "**First Reset Date**"), payable, subject as provided below, semi-annually in arrear on each Interest Payment Date, as more fully described under Condition 4. Interest on the Capital Securities shall accrue from (and including) the First Reset Date at a rate, to be reset every five years thereafter, based on the Reset Reference Rate plus 3.702 per cent.

Interest Payment Dates

Except as described below, Interest will be payable on 29 June and 29 December in each year (each, an "**Interest Payment Date**"), commencing on 29 December 2019. There will be a short first Interest Period of 111 days, beginning on (and including) the Issue Date and ending on (but excluding) 29 December 2019.

Discretionary Cancellation of Interest

Interest on the Capital Securities will be due and payable only at the sole and absolute discretion of the Issuer, subject at all times to the requirements for mandatory cancellation of Interest payments in Conditions 5*(b)* and 6*(a)*. Accordingly, the Issuer may at any time elect to cancel any Interest payment (or part thereof) which would otherwise be payable on any Interest Payment Date.

Mandatory Cancellation of Interest

The Issuer shall, subject to certain conditions, be prohibited from making any Interest payment on any Interest Payment Date if and to the extent that:

(a) the amount of such Interest payment, together with any interest payments or distributions which have been paid or made or which are required to be paid or made during the then current

Financial Year on other own funds items (excluding any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate exceed the amount of Distributable Items of the Issuer as at such Interest Payment Date; or

(b) the payment of such Interest would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD (or any provision of applicable law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), transposing or implementing Article 141(2) of the CRD, as amended or replaced, or any equivalent or similar law or rule or provision of the Capital Regulations, in each case to the extent then applicable to the Issuer), the Maximum Distributable Amount (if any) then applicable to be exceeded.

Interest non-cumulative; no default

Any Interest (or part thereof) not paid on any relevant Interest Payment Date by reason of Condition 5*(a)*, 5*(b)* or 6 shall be cancelled and shall not accumulate or be payable at any time thereafter, and shall not constitute a default by the Issuer for any purpose. Holders shall have no right thereto whether in a bankruptcy or dissolution (*ontbinding*) of the Issuer or otherwise.

Write Down upon a Trigger Event

Upon the determination by the Issuer in accordance with the requirements set out in Article 54 of the CRR that either:

(a) the CET1 Ratio of the Rabobank Group has fallen below 7 per cent.; and/or

(b) (for so long as required under applicable Capital Regulations) the CET1 Ratio of the Issuer has fallen below 5.125 per cent.,

(each a "**Trigger Event**"), the Issuer shall, subject to certain conditions:

(i) (without the need for the consent of the Holders) reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" shall be construed accordingly); and

(ii) cancel any Interest which is accrued to the relevant Write Down Date and unpaid.

A Trigger Event may occur on more than one occasion (and each Capital Security may be Written Down on more than one occasion).

Write Up

The Issuer shall have full discretion to reinstate, to the extent permitted in compliance with the Capital Regulations, any portion of the relevant Write Down Amount (such reinstatement, a "**Write Up**"),

	subject to certain conditions, as more particularly set out in Condition 6*(d)*.
Optional Redemption	Subject to certain conditions, as more particularly set out in Condition 7*(b)*, the Issuer may elect, in its sole discretion, to redeem all, but not some only, of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.
Redemption for Taxation Reasons	If as a result of a Tax Law Change that causes a change in the tax treatment of the Capital Securities the Issuer will be required to pay Additional Amounts with respect to payments on the Capital Securities then the Issuer may, at its option subject to the conditions set out in Condition 7*(b)*, at any time redeem all, but not some only, of the Capital Securities at their Redemption Price as more particularly set out in Condition 7*(d)*.
Redemption for Regulatory Reasons	If a Capital Event has occurred and is continuing and subject to certain conditions, as more particularly set out in Condition 7*(b)*, then the Issuer may, at its option, at any time redeem all, but not some only, of the Capital Securities at their Redemption Price, as more particularly set out in Condition 7*(e)*. A "**Capital Event**" will be deemed to have occurred if the Issuer demonstrates to the satisfaction of the Competent Authority that as a result of a change on or after the Issue Date in the regulatory classification of the Capital Securities under the Capital Regulations (other than by reason of such a change in the regulatory assessment or reassessment of the tax effects of a Write Down), the Capital Securities have been or will be excluded from own funds or reclassified as a lower quality form of own funds (that is, no longer Additional Tier 1 Capital), in each case whether whole or in part.
Substitution or variation for a Capital Event	If a Capital Event has occurred and is continuing, and subject to certain conditions as more particularly set out in Condition 7*(b)*, then the Issuer may either substitute all (but not some only), or vary the terms of, the Capital Securities so that they remain, or as appropriate become, Compliant Securities, as more particularly set out in Condition 7*(f)*.
Withholding Tax and Additional Amounts	The Issuer will pay (subject to the availability of sufficient Distributable Items) such Additional Amounts as may be necessary in order that the net payment of Interest (but not principal or any other amount) received by each Holder in respect of the Capital Securities, after withholding for any taxes imposed by tax authorities in the Netherlands upon payments of interest made by or on behalf of the Issuer in respect of the Capital Securities, will equal the amount which would have been received in the absence of any such withholding

	taxes, subject to customary exceptions, as more particularly set out in Condition 10.
Listing and Admission to Trading	Application has been made to Euronext Dublin for the Capital Securities to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin. It is expected that admission to listing will become effective and dealings are expected to commence on 9 September 2019.
Irish Listing Agent	Arthur Cox Listing Services Limited.
Governing Law	The Capital Securities, the Coupons, the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, the laws of the Netherlands.
Form	Bearer. The Capital Securities will initially be represented by a Temporary Global Capital Security, without interest coupons, which will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. The Temporary Global Capital Security will be exchangeable for interests in a global capital security, without interest coupons, on or after 20 October 2019, upon certification as to non-US beneficial ownership.
Denomination	EUR 200,000
Clearing and Settlement	The Capital Securities have been accepted for clearance through the facilities of each of Euroclear and Clearstream, Luxembourg.
Ratings	The Capital Securities are expected to be assigned on issue a rating of 'Baa3' by Moody's and 'BBB-' by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.
Security Codes	ISIN: XS2050933972 Common Code: 205093397
Selling Restrictions	The United States of America, United Kingdom (including, but not limited to the PI Rules), Canada, Japan, Singapore, Hong Kong, the Republic of China, Brazil, Switzerland, France and the Republic of Italy. The Capital Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be

offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Capital Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Capital Securities and distribution of this Offering Circular, see '*Subscription and Sale*'.

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The following (save for paragraphs in italics, which do not form part of the conditions of issue) are the conditions of issue of the Capital Securities as they apply to holders of the Capital Securities and are in the form in which they will appear on the reverse of each Certificate.

The issue of the €1,250,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities (the "**Capital Securities**") was approved by the Issuer on 3 September 2019 which approval is in accordance with the funding mandate authorised by a resolution of the Managing Board passed on 12 November 2018 and a resolution of the Supervisory Board passed on 23 November 2018, as confirmed by a Secretary's Certificate dated 5 September 2019. The Agency Agreement has been entered into in respect of the Capital Securities and is available for inspection during usual business hours at the specified offices of each of the Paying Agents. The Agency Agreement includes the form of the Capital Securities, the Coupons and the Talons. The Holders and the Couponholders (whether or not the Coupons held are attached to the relevant Capital Securities) are deemed to have notice of, and are bound by, all the provisions of the Agency Agreement applicable to them.

1 Definitions

In these Conditions:

"**Additional Amounts**" has the meaning ascribed thereto in Condition 10;

"**Additional Tier 1 Capital**", at any time, has the meaning ascribed thereto (or to any equivalent term) in the Capital Regulations at such time;

"**Adjustment Spread**" has the meaning given to it in Condition 4(e)(viii);

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

"**Agency Agreement**" means the fiscal agency agreement dated 9 September 2019 entered into between the Issuer, the Fiscal Agent and the Paying Agents in relation to the Capital Securities;

"**Alternative Rate**" has the meaning given to it in Condition 4(e)(viii);

"**Authorised Denominations**" has the meaning ascribed thereto in Condition 2*(a)*;

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

"**Benchmark Amendments**" has the meaning given to it in Condition 4(e)(iv);

"**Benchmark Event**" has the meaning given to it in Condition 4(e)(viii);

"**BRRD**" means the Directive (2014/59/EU) of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/879) and, as the context permits, any provision of Dutch law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) transposing or implementing such Directive;

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

"**Calculation Agent**" means Deutsche Bank AG, London Branch;

"**Calculation Amount**" means, initially, €1,000 in principal amount, provided that if the Prevailing Principal Amount of each Capital Security is amended (either by Write Down or Write Up in accordance with Condition 6 or as otherwise required by then current legislation and/or regulations applicable to the Issuer), the Calculation Amount shall mean the amount determined by the Fiscal Agent in accordance with Condition 6 on a *pro rata* basis to account for such Write Down, Write Up and/or other such amendment otherwise required, as the case may be, and which is notified to Holders in accordance with Condition 14 with the details of such adjustment;

A "**Capital Event**" is deemed to have occurred if the Issuer demonstrates to the satisfaction of the Competent Authority that as a result of a change on or after the Issue Date in the regulatory classification of the Capital Securities under the Capital Regulations (other than by reason of such a change in the regulatory assessment or reassessment of the tax effects of a Write Down), the Capital Securities have been or will be excluded from own funds or reclassified as own funds of lower quality (that is, no longer Additional Tier 1 Capital), in each case whether in whole or in part. For the avoidance of doubt, a Capital Event shall not be deemed to have occurred in the case of a partial exclusion of the Capital Securities as a result of a Write Down;

"**Capital Regulations**" means any requirements of Dutch law or contained in the regulations, requirements, guidelines and policies of the Competent Authority, or of the European Parliament and the European Council, then in effect in The Netherlands relating to capital adequacy and applicable to the Issuer and the Rabobank Group, including but not limited to the CRD, the CRR and the BRRD;

"**Capital Securities**" means the €1,250,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities, which expression shall, unless the context otherwise requires, include any further instruments issued pursuant to Condition 15 and forming a single series with the Capital Securities;

"**CET1 Ratio**" means, as applicable, either:

(a) the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Rabobank Group to the Risk Weighted Assets of the Rabobank Group, in each case calculated on a consolidated basis and expressed as a percentage (the "**CET1 Ratio of the Rabobank Group**"); or

(b) the ratio (expressed as a percentage) of the aggregate amount of the Common Equity Tier 1 Capital of the Issuer to the Risk Weighted Assets of the Issuer, in each case calculated on a solo or non-consolidated basis and expressed as a percentage (the "**CET1 Ratio of the Issuer**");

"**Common Equity Tier 1 Capital**", at any time, means the common equity tier 1 capital (or an equivalent or successor term) at such time of the Rabobank Group, on a consolidated basis or, as the context requires, the common equity tier 1 capital (or an equivalent or successor term) at such time of the Issuer, on a solo or non-consolidated basis, in each case in accordance with the Capital Regulations and taking into account any transitional arrangements under the Capital Regulations which are applicable at such time;

"**Competent Authority**" means the European Central Bank (in its capacity under the Single Supervisory Mechanism or SSM), the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other body or authority having primary supervisory authority with respect to the Rabobank Group and/or the relevant Resolution Authority (if applicable);

"**Compliant Securities**" means securities issued directly or indirectly by the Issuer that:

(a) have terms not materially less favourable to a Holder than the terms of the Capital Securities (as reasonably determined by the Issuer, and provided that a certification to such effect of the Authorised Signatories shall have been delivered to the Fiscal Agent prior to the issue of the relevant securities), and, subject thereto, (1) contain terms such that they comply with the then current requirements of the Capital Regulations in relation to Additional Tier 1 Capital and provide at least the same amount of

regulatory capital recognition as the Capital Securities prior to the relevant substitution or variation and have the same Initial Principal Amounts and Prevailing Principal Amounts as the Capital Securities prior to the relevant substitution or variation; (2) include terms which provide for the same Interest Rate from time to time applying to the Capital Securities; (3) rank *pari passu* with the Capital Securities; and (4) preserve any existing rights under these Conditions to any interest which has not been either cancelled or satisfied (but subject always to the right of the Issuer subsequently to cancel such accrued interest in accordance with the terms of the Capital Securities); and

(b) where the Capital Securities which have been substituted or varied were listed immediately prior to their substitution or variation, the relevant securities are listed on (i) Euronext Dublin or (ii) such other internationally recognised stock exchange as selected by the Issuer; and

(c) where the Capital Securities which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Compliant Securities;

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

"**Coupon**" means an interest coupon in respect of a Capital Security (which expression includes, where the context so permits, Talons);

"**Couponholders**" means the holder of a Coupon;

"**CRD**" means the Directive (2013/36/EU) of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/878) and, as the context permits, any provision of Dutch law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) transposing or implementing such Directive;

"**CRR**" means the Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876);

"**Day-count Fraction**" means (i) in respect of an Interest Amount payable on a scheduled Interest Payment Date (other than the first Interest Payment Date), one-half, (ii) in respect of an Interest Amount payable (A) on the first Interest Payment Date or (B) other than on a scheduled Interest Payment Date, the number of days in the relevant period from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by two times the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last);

"**Determination Agent**" means an independent investment bank or financial institution selected by the Issuer for the purposes of performing the functions required to be performed by it under these Conditions;

"**Distributable Items**" means the amount of the profits at the end of the last Financial Year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (which, for the avoidance doubt, excludes any such distributions paid or made on Tier 2 Capital instruments or which have already been provided for, by way of deduction, in calculating the amount of Distributable Items) less any losses brought forward, any profits which are non-distributable pursuant to European Union or national law or the Issuer's by-laws and any sums placed in non-distributable reserves in accordance with applicable national law or the statutes of the Issuer, in each case with respect to the specific category of own funds instruments to which European Union or national law, the Issuer's by-laws, or statutes relate; such profits, losses

and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of the consolidated accounts;

"**euro**" **or** "**€**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities as amended;

"**Euronext Dublin**" means The Irish Stock Exchange plc, trading as Euronext Dublin;

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

"**Existing Capital Securities**" means the £250,000,000 Perpetual Non-Cumulative Capital Securities issued on 10 June 2008, the €1,500,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities issued on 22 January 2015 and the €1,250,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities issued on 26 April 2016 and the €1,000,000,000 Perpetual Additional Tier 1 Contingent Temporary Write Down Capital Securities issued on 11 September 2018;

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

"**Financial Year**" means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the Issue Date runs from (and including) 1 January in one calendar year to (but excluding) the same date in the immediately following calendar year;

"**First Call Date**" means 29 December 2026;

"**First Fixed Period**" has the meaning ascribed to it in Condition 4*(b)*;

"**First Reset Date**" means 29 December 2026;

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

"**Full Loss Absorbing Instruments**" has the meaning ascribed to it in Condition 6*(a)*;

"**Holder**" means the holder of a Capital Security, from time to time;

"**Independent Adviser**" has the meaning given to it in Condition 4(e)(viii);

"**Initial Interest Rate**" means 3.250 per cent. per annum;

"**Initial Principal Amount**" means, in relation to each Capital Security, the Authorised Denomination of that Capital Security on the Issue Date;

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

"**Interest Amount**" means, subject to Conditions 6 and 8, the amount of Interest payable per Calculation Amount in respect of the relevant Interest Period or Interest Periods, as calculated by the Determination Agent;

"**Interest Determination Date**" means, in respect of a Reset Period, the second TARGET Business Day prior to the Reset Date in respect of such Reset Period;

"**Interest Payment Date**" means 29 June and 29 December of each year commencing 29 December 2019;

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means, in respect of the First Fixed Period, the Initial Interest Rate, and, in respect of each Reset Period thereafter, the rate calculated in accordance with the provisions of Condition 4*(b)*;

"**Issue Date**" means 9 September 2019, being the date of the initial issue of the Capital Securities;

"**Issuer**" means Coöperatieve Rabobank U.A. (Rabobank);

"**Loss Absorbing Instrument**" means capital instruments or other obligations of the Issuer (other than the Capital Securities) which constitute Additional Tier 1 Capital and which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital and that is activated by a trigger event set by reference to the CET1 Ratio of the Rabobank Group and/or the CET1 Ratio of the Issuer;

"**Margin**" means 3.702 per cent.;

"**Maximum Distributable Amount**" means any applicable maximum distributable amount required to be calculated in accordance with Article 141 of the CRD (or any provision of applicable law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), transposing or implementing Article 141 of the CRD, as amended or replaced or any equivalent or similar law, rule or provision of the Capital Regulations which requires a maximum distributable amount to be calculated);

"**Original Reference Rate**" has the meaning given to it in Condition 4(e)(viii);

"**Outstanding Payments**" means, in relation to any amounts payable on redemption or repayment of the Capital Securities, an amount representing any unpaid Interest which is due and has not been cancelled for the Interest Period during which redemption or repayment occurs to the date of redemption or repayment plus Additional Amounts thereon, if any;

"**Participations**" means the outstanding Rabobank certificates representing participations issued by the Issuer and acquired by Stichting AK Rabobank Certificaten on 24 January 2014 (and any other similar Rabobank certificates representing participations issued thereafter by the Issuer);

"**Paying Agents**" means Deutsche Bank AG, London Branch and Coöperatieve Rabobank U.A. (Rabobank) in their capacity as paying agents, which expression includes any successor and additional paying agents appointed from time to time in connection with the Capital Securities;

"**Prevailing Principal Amount**" means, in relation to each Capital Security at any time, the principal amount of such Capital Security at that time, being its Initial Principal Amount, as adjusted from time to time for any Write Down and/or Write Up, in accordance with Condition 6 and/or as otherwise required by then current legislation and/or regulations applicable to the Issuer;

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

"**Rabobank Group**" means the Issuer together with its consolidated subsidiaries;

"**Rating Agency**" means Moody's Investors Service Ltd or Fitch Ratings Ltd, or their respective successors;

"**Redemption Price**" means, in respect of each Capital Security at any time, the then Prevailing Principal Amount thereof together with any Outstanding Payments;

"**Reference Date**" has the meaning ascribed to it in Condition 6*(d)*;

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

"**Relevant Nominating Body**" has the meaning given to it in Condition 4(e)(viii);

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

"**Reset Date**" has the meaning ascribed to it in Condition 4*(b)*;

"**Reset Period**" means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"**Reset Reference Rate**" means in respect of the Reset Period, (i) the applicable annual mid-swap rate for swap transactions in Euro (with a maturity equal to 5 years) as displayed on the Screen Page at 11.00 a.m. (Central European time) on the relevant Interest Determination Date (which rate, if the relevant Interest Payment Dates are other than semi-annual or annual Interest Payment Dates shall be adjusted by, and in the manner determined by, the Determination Agent) (the "**Mid-Swap Rate**") or (ii) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate;

where:

"**Mid-Swap Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in Euro which (i) has a term commencing on the Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the six-month EURIBOR rate (calculated on an Actual/360 day count basis). If the six-month EURIBOR rate cannot be obtained because of the occurrence of a Benchmark Event (as defined in Condition 4*(e)*), the six-month EURIBOR rate shall be calculated in accordance with the terms of Condition 4*(e)*);

"**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Determination Agent at or around 11:00 a.m. (Central European time) on the relevant Interest Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Determination Agent in its sole discretion following consultation with the Issuer;

"**Reset Reference Banks**" means five leading swap dealers in the principal interbank market relating to Euro selected by the Determination Agent in its discretion after consultation with the Issuer; and

"**Screen Page**" means Reuters screen page "ICESWAP2", or such other screen page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Thomson Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

"**Resolution Authority**" means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other regulatory authority or governmental body having resolution authority with respect to the Rabobank Group;

"**Risk Weighted Assets**" means, at any time, the aggregate Total Risk Exposure Amount of the Rabobank Group, or as the case may be, the Issuer, at such time;

"**Successor Rate**" has the meaning given to it in Condition 4(e)(viii);

"**Talon**" means a talon for further Coupons;

"**TARGET**" means the Trans European Real-Time Gross Settlement Express Transfer (known as TARGET 2) System, which was launched on 19 November 2007, or any successor thereto;

"**TARGET Business Day**" means a day on which TARGET is operating;

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

"**Tier 1 Capital**" has the meaning ascribed thereto (or to any equivalent terms) in the Capital Regulations from time to time;

"**Tier 2 Capital**" has the meaning ascribed thereto (or to any equivalent terms) in the Capital Regulations from time to time;

"**Total Risk Exposure Amount**" means, at any time, the total risk exposure amount of the Rabobank Group at such time, calculated on a consolidated basis or, as the context requires, the total risk exposure amount of the Issuer, calculated on a solo or non-consolidated basis, in each case in accordance with the Capital Regulations and taking into account any transitional arrangements under the Capital Regulations which are applicable at such time;

"**Trigger Event**" means, at any time, a determination by the Issuer or the Competent Authority in accordance with the requirements set out in Article 54 of the CRR, that either (a) the CET1 Ratio of the Rabobank Group has fallen below 7 per cent. and/or (b) (for so long as required under applicable Capital Regulations) the CET1 Ratio of the Issuer has fallen below 5.125 per cent.;

"**Trigger Event Notice**" means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Holders, the Fiscal Agent, the Paying Agents and the Competent Authority, in accordance with Condition 6 and Condition 14 and which shall state with reasonable detail the nature of the relevant Trigger Event, the relevant Write Down being implemented, any Write Down Amount (if then known) and the basis of its calculation and the relevant Write Down Date;

"**Write Down**" and "**Written Down**" shall be construed as provided in Condition 6*(a)*;

"**Write Down Amount**" has the meaning ascribed to it in Condition 6*(a)*;

"**Write Down Date**" has the meaning ascribed to it in Condition 6*(a)*;

"**Write Up**" and "**Written Up**" shall be construed as provided in Condition 6*(d)*;

"**Write Up Amount**" has the meaning ascribed to it in Condition 6*(d)*;

"**Write Up Notice**" has the meaning ascribed to it in Condition 6*(d)*; and

"**Written Down Additional Tier 1 Instrument**" means an instrument (other than the Capital Securities) issued by the Issuer and qualifying as Additional Tier 1 Capital of the Issuer or the Rabobank Group (as the case may be) that, immediately prior to any Write Up of the Capital Securities, has a prevailing principal amount which

is less than its initial principal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Condition 6*(d)* in the circumstances existing on the relevant Write Up Date.

2 Form, Denomination and Title

(a) Form and Denomination

The Capital Securities are serially numbered and in bearer form in initial principal amounts of €200,000 (each "**Authorised Denominations**"), each with Coupons and one Talon attached on issue.

(b) Title

Title to the Capital Securities, the Coupons and the Talons passes by delivery. The holder of any Capital Security, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the Holder or Couponholder, as the case may be.

3 Status and Subordination

(a) Status

The Capital Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Holders and Couponholders are subordinated as described in Condition 3*(b)*.

(b) Subordination

Subject to exceptions provided by mandatory applicable law, the payment obligations under the Capital Securities and Coupons constitute unsecured obligations of the Issuer and Holders shall, in the case of (a) the bankruptcy of the Issuer or (b) dissolution (*ontbinding*), have a claim for an amount equal to the then Prevailing Principal Amount of the Capital Securities, together with any Outstanding Payments, which shall rank:

(i) subordinated and junior to present or future indebtedness of the Issuer, including but not limited to Tier 2 Capital of the Issuer (other than the Issuer's present or future obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's present or future obligations under the Capital Securities or the Coupons (including, without limitation, the Existing Capital Securities));

(ii) *pari passu* (a) with the Issuer's present or future obligations under the guarantees and contingent guarantees in relation to the Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trust IV, (b) with the Issuer's present or future obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares (if any) of the Issuer and at least *pari passu* with the Issuer's most senior Tier 1 Capital; and

(iii) senior only to the Issuer's present or future obligations under the Participations and any other instruments ranking *pari passu* with the Participations (in accordance with, and by virtue of the subordination provisions of, the Participations) and any other present or future instruments ranking *pari passu* therewith.

By virtue of such subordination, payments to the Holders and Couponholders will, in the case of the bankruptcy or dissolution of the Issuer, only be made after all payment obligations of the Issuer ranking senior to the Capital Securities and Coupons have been satisfied.

In addition, any right of set-off or netting by the Holder or Couponholder in respect of any amount owed to such Holder or Couponholder by the Issuer under or in connection with such Capital Security or Coupon shall be excluded.

In respect of this Condition 3, reference is also made to statutory loss absorption as more fully described in the risk factors entitled "Change of law" and "Statutory loss absorption" in the offering circular relating to the Capital Securities.

4 Interest and other calculations

(a) General

Subject to Conditions 5 and 6, the Capital Securities bear Interest on their Prevailing Principal Amount from (and including) the Issue Date in accordance with the provisions of this Condition 4. Subject to Condition 5, Interest shall be payable on the Capital Securities semi-annually in arrear in equal instalments on each Interest Payment Date (as provided in this Condition 4), commencing with the Interest Payment Date falling on 29 December 2019. Each semi-annual instalment of interest during the First Fixed Period will amount to €16.25 per Calculation Amount, except that the first payment of interest will be made on 29 December 2019 in respect of the period from (and including) the Issue Date to (but excluding) 29 December 2019, and will amount to €9.86 per Calculation Amount.

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

(b) Interest Rate

From (and including) the Issue Date to (but excluding) the First Reset Date (the "**First Fixed Period**"), the Capital Securities bear interest on their Prevailing Principal Amount at the Initial Interest Rate. The Interest Rate will be reset on the First Reset Date and every fifth anniversary thereafter (each a "**Reset Date**") on the basis of the aggregate of the Margin and the Reset Reference Rate on the relevant Interest Determination Date, as determined by the Determination Agent. The Determination Agent will, as soon as practicable upon determination of the Interest Rate which shall apply to the Reset Period commencing on the relevant Reset Date, cause the applicable Interest Rate and the corresponding Interest Amount to be notified to the Fiscal Agent, each of the Paying Agents and Euronext Dublin or any other stock exchange on which the Capital Securities are for the time being listed and to be notified to Holders as soon as possible after their determination but in no event later than the second Business Day thereafter.

The determination of the applicable Interest Rate by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Interest Accrual, Calculation and Rounding

Subject to Conditions 5 and 6, the Capital Securities will cease to bear Interest from (and including) the date of redemption thereof pursuant to Condition 7 unless payment of all amounts due in respect of the Capital Securities is not properly and duly made, in which event Interest shall continue to accrue, both before and after judgment, at the Interest Rate and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Capital Security shall be calculated per Calculation Amount and shall be equal to the product of the Calculation Amount, the Interest Rate and

the relevant Day-count Fraction for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

If pursuant to Condition 6 or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Prevailing Principal Amount of the Capital Securities is Written Down or Written Up or so adjusted as otherwise required during an Interest Period, the Calculation Amount will be adjusted by the Fiscal Agent to reflect such Prevailing Principal Amount from time to time so that the relevant amount of Interest is determined by reference to such Calculation Amount as adjusted from time to time, all as determined by the Fiscal Agent. The Issuer shall promptly following such change give notice of any change to the Calculation Amount to Holders in accordance with Condition 14.

(d) Determination Agent

The Issuer will procure that, so long as any Capital Security is outstanding, there shall at all times be a Determination Agent when one is required for the purposes of these Conditions. If the Determination Agent fails duly to establish the Interest Rate or to calculate the corresponding Interest Amount, the Issuer shall appoint another Determination Agent to act as such in its place. The Determination Agent may not resign its duties without a successor having been so appointed.

(e) Benchmark discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to the Original Reference Rate or Mid-Swap Rate (as applicable) when the Reset Reference Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate or Mid-Swap Rate (as applicable), the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4*(e)*(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4*(e)*(iv)).

In making any such determination, an Independent Adviser appointed pursuant to this Condition 4*(e)* shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Holders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4*(e)*.

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser (only if such Independent Adviser has been appointed by the Issuer) and acting in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate or Mid-Swap Rate (as applicable) to determine the Reset Reference Rate (or the relevant component part thereof) for all future payments of interest on the Capital Securities (subject to the further operation of this Condition 4*(e)*); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate or Mid-Swap Rate (as applicable) to determine the Reset Reference Rate (or the relevant component part thereof) for all future payments of interest on the Capital Securities (subject to the further operation of this Condition 4*(e)*).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining, such Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4*(e)* and the Issuer, following consultation with the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4*(e)*(v), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4*(e)*(iv), the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4*(e)* will be notified promptly by the Issuer to the Fiscal Agent and the Calculation Agent and, in accordance with Condition 14, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Authorised Signatories of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4*(e)*; and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices for inspection by the Holders at all reasonable times during normal business hours.

The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Holders.

(vi) Survival of Original Reference Rate or Mid-Swap Rate

Without prejudice to the obligations of the Issuer under Condition 4*(e)* (i), (ii), (iii) and (iv), the Original Reference Rate or Mid-Swap Rate (as applicable) will continue to apply unless and until

the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread (if applicable) and Benchmark Amendments, in accordance with Condition 4*(e)*(v).

(vii) Qualification as Additional Tier 1 Capital

Notwithstanding any other provision of this Condition 4*(e)*, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to these Conditions be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Capital Securities as Additional Tier 1 Capital or to result in the Competent Authority treating the next Reset Date as the effective maturity of the Capital Securities under the then Capital Regulations.

(viii) Definitions:

As used in this Condition 4*(e)*:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(B) the Issuer, following consultation with the Independent Adviser, determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)

(C) the Issuer, following consultation with the Independent Adviser, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate or Mid-Swap Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative to the Original Reference Rate or Mid-Swap Rate (as applicable) which the Issuer determines in accordance with Condition 4*(e)*(ii) has replaced the Original Reference Rate or Mid-Swap Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period as the relevant Reset Period and in euros;

"**Benchmark Amendments**" has the meaning given to it in Condition 4*(e)*(iv);

"**Benchmark Event**" means:

(A) the Original Reference Rate or Mid-Swap Rate (as applicable) ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate or Mid-Swap Rate (as applicable) that it has ceased or that it will cease publishing the Original Reference

Rate or Mid-Swap Rate (as applicable) permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate or Mid-Swap Rate (as applicable)); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate or Mid-Swap Rate (as applicable) that the Original Reference Rate or Mid-Swap Rate (as applicable) has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate or Mid-Swap Rate (as applicable) that means the Original Reference Rate or Mid-Swap Rate (as applicable) will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or

(E) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate or Mid-Swap Rate (as applicable); or

(F) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed,

provided that in the case of sub-paragraphs (B), (C) and (D), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4*(e)*(i);

"**Original Reference Rate**" means either (i) the six-month EURIBOR rate or (ii) any Successor Rate or Alternative Rate which replaces the Original References Rate pursuant to the operation of this Condition 4(e);

"**Relevant Nominating Body**" means, in respect of the Original Reference Rate or Mid-Swap Rate:

(A) the European Central Bank, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate or Mid-Swap Rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the European Central Bank, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate or Mid-Swap Rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate or Mid-Swap Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

5 Cancellation of Interest

(a) Optional cancellation of Interest

The Issuer may, at its discretion but subject at all times to the requirements for mandatory cancellation of Interest payments in Conditions 5*(b)* and 6*(a)*, at any time elect to cancel any Interest payment, in whole or in part, for an unlimited period of time, which is scheduled to be paid on an Interest Payment Date. Upon the Issuer electing to cancel (in whole or in part) any Interest payment under this Condition 5*(a)*, the Issuer shall give notice of such election to the Holders in accordance with Condition 14 as soon as reasonably practicable on or prior to the relevant Interest Payment Date (provided that any failure to give such notice shall not affect the validity of the cancellation of any Interest payment in whole or in part by the Issuer and shall not constitute a default under the Capital Securities for any purpose). Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant Interest payment that will be paid on the relevant Interest Payment Date.

(b) Mandatory cancellation of Interest

Interest otherwise due on an Interest Payment Date will not be due (in whole or, as the case may be, in part), and the relevant payment will not be made, if and to the extent that the amount of such Interest payment otherwise due, together with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Capital Securities and other own funds items (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate exceed the amount of Distributable Items of the Issuer as at such Interest Payment Date.

In addition, the Issuer shall not, to the extent required by Capital Regulations, pay any Interest otherwise due on an Interest Payment Date if and to the extent that:

(i) the Competent Authority orders to the Issuer to cancel the payment of such Interest; or

(ii) the payment of such Interest would cause, when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD (or any provision of applicable law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), transposing or implementing Article 141(2) of the CRD, as amended or replaced, or any equivalent or similar law or rule or provision of the Capital Regulations, in each case to the extent then applicable to the Issuer), the Maximum Distributable Amount (if any) then applicable to be exceeded.

Upon the Issuer being prohibited from making any Interest payment under this Condition 5*(b)*, the Issuer shall as soon as reasonably practicable on or prior to the relevant Interest Payment Date give notice of such non-payment and the reason therefor to the Holders in accordance with Condition 14 (provided that any failure to give such notice shall not affect the cancellation of any Interest payment in whole or in part by the Issuer and shall not constitute a default under the Capital Securities for any purpose). Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant Interest payment that will be paid on the relevant Interest Payment Date.

(c) Interest non-cumulative; no default

Any Interest payment (or part thereof) not paid on any relevant Interest Payment Date by reason of Condition 5*(a)*, 5*(b)* or 6, shall be cancelled and shall not accumulate or be payable at any time thereafter. Non-payment of any Interest (or part thereof) in accordance with any of Condition 5*(a)*, 5*(b)* or 6, will not constitute a default by the Issuer for any purpose, and the Holders shall have no right thereto whether in a bankruptcy or dissolution (*ontbinding*) of the Issuer or otherwise.

In the absence of any notice of cancellation referred to above being given, the fact of non-payment (in whole or in part) of the relevant Interest Payment on the relevant Interest Payment Date shall be evidence of the Issuer having elected or being required to cancel such Interest Payment in whole or in part, as applicable.

6 Write Down and Write Up

(a) Write Down

If a Trigger Event has occurred, the Issuer shall, subject as provided below:

(x) (without the need for the consent of the Holders) reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write Down Amount (such reduction being referred to herein as a "**Write Down**", and "**Written Down**", shall be construed accordingly) as provided below; and

(y) cancel any Interest which is accrued to the relevant Write Down Date and unpaid.

Such cancellation and reduction shall take place without delay on such date as is selected by the Issuer (the "**Write Down Date**") but which shall be no later than one month following the occurrence of the relevant Trigger Event and in accordance with the requirements set out in Article 54 of the CRR as at the Issue Date. The Competent Authority may require that the period of one month referred to above is reduced in cases where the Competent Authority assesses that sufficient certainty on the required Write Down Amount is established or in cases where it assesses that an immediate Write Down is needed.

The aggregate reduction of the Prevailing Principal Amounts of the Capital Securities outstanding on the Write Down Date will be equal to the lower of:

(i) the amount that would restore the CET1 Ratio of the Rabobank Group to at least 7 per cent. and (where applicable in the circumstances described in the definition of Trigger Event) the CET1 Ratio of the Issuer to at least 5.125 per cent. at the point of such reduction, after taking into account (subject as provided below and in Condition 6*(c)*), the *pro rata* write down and/or conversion of the prevailing principal amount of all Loss Absorbing Instruments (if any) to be written down and/or converted concurrently (or substantially concurrently) with the Capital Securities, provided that, with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down and/or conversion shall only be taken into account to the extent required to restore the CET1 Ratios contemplated above to the lower of (a) such Loss Absorbing Instrument's trigger level (or, if it has more than one such trigger level, the higher or highest effective trigger level) and (b) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of the relevant instruments and the Capital Regulations; and

(ii) the amount that would result in the Prevailing Principal Amount of a Capital Security being reduced to one cent.

The aggregate reduction determined in accordance with the immediately preceding paragraph shall be applied to all of the Capital Securities pro rata on the basis of their Prevailing Principal Amount immediately prior to the Write Down and references herein to "**Write Down Amount**" shall mean, in respect of each Capital Security, the amount by which the principal amount of such Capital Security is to be Written Down accordingly.

If, in connection with the Write Down or the calculation of the Write Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written down and/or converted in full and not in part only ("**Full Loss Absorbing Instruments**") then:

(A) the provision that a Write Down of the Capital Securities should be effected *pro rata* with the write down and/or conversion, as the case may be, of any Loss Absorbing Instruments shall not be construed as requiring the Capital Securities to be Written Down in full solely by virtue of the fact that such Full Loss Absorbing Instruments may be written down and/or converted in full; and

(B) for the purposes of calculating the Write Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write down of principal and/or conversion, as the case may be, among the Capital Securities and any Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write down and/or conversion, such that the write down and/or conversion of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (x) first, the principal amount of such Full Loss Absorbing Instruments shall be written down and/or converted *pro rata* (in the manner contemplated above) with the Capital Securities and all other Loss Absorbing Instruments to the extent necessary to restore the CET1 Ratios referred to in Condition 6*(a)(i)*; and (y) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (x) shall be written off and/or converted, as the case may be, with the effect of increasing the CET1 Ratio above the minimum required under Condition 6(*a)(i)*.

Following a reduction of the Prevailing Principal Amount of the Capital Securities as described above, Interest will continue to accrue on the Prevailing Principal Amount of each Capital Security following such reduction, and will be subject to Conditions 5 and 6*(d)* as described herein.

(b) Notice of a Write Down

Following a Trigger Event, the Issuer shall:

(i) immediately inform the Competent Authority of the relevant Trigger Event;

(ii) give the relevant Trigger Event Notice which notice shall be irrevocable; and

(iii) deliver to the Fiscal Agent a certificate signed by the Authorised Signatories stating that, and in reasonable detail how, the relevant requirement or circumstance giving rise to the right to effect the relevant Write Down is satisfied.

Any failure by the Issuer to give any such notice will not in any way impact on the effectiveness of, or otherwise invalidate, any Write Down, or give Holders any rights as a result of such failure.

(c) Consequences of a Write Down

A Trigger Event may occur on more than one occasion (and each Capital Security may be Written Down on more than one occasion).

Following any Write Down of the Capital Security, references herein to "**Prevailing Principal Amount**" shall be construed accordingly. Once the Prevailing Principal Amount of a Capital Security has been Written Down, the relevant Write Down Amount(s) may only be restored, at the discretion of the Issuer, in accordance with Condition 6*(d)* and provided that the relevant Trigger Event(s) cease(s) to continue.

Following the giving of a Trigger Event Notice which specifies a Write Down of the Capital Securities, the Issuer shall procure that (i) a similar notice is given in respect of other Loss Absorbing Instruments in accordance with their terms and (ii) the then prevailing principal amount of each series of Loss

Absorbing Instruments outstanding (if any) is written down or converted in accordance with their terms following the giving of such Trigger Event Notice provided, however, any failure by the Issuer either to give such a notice or to procure such a write down and/or conversion will not affect the effectiveness of, or otherwise invalidate, any Write Down of the Capital Securities pursuant to Condition 6*(a)* or give Holders any rights as a result of either such failure (and, for the avoidance of doubt, the Write Down Amount may increase as a result thereof).

To the extent the prior write down or conversion of any Loss Absorbing Instruments for the purposes of Condition 6*(a)(i)* above is not possible for any reason, this shall not in any way impact on any Write Down of the Capital Securities. However in such circumstances, the Capital Securities will be Written Down and the Write Down Amount determined as provided in Condition 6*(a)* above without including for the purposes of Conditions 6*(a)(i)* any Common Equity Tier 1 Capital in respect of such Loss Absorbing Instruments, as the case may be, to the extent they are not written down or converted.

The Issuer shall determine the relevant Write Down Amount in the manner set out in Condition 6*(a)* and shall set out its determination thereof in the relevant Trigger Event Notice together with the then Prevailing Principal Amount of each Capital Security following the relevant Write Down. However, if the Write Down Amount has not been determined when the Trigger Event Notice is given, the Issuer shall, as soon as reasonable practicable following such determination, notify Holders of the Write Down Amount in accordance with Condition 14 and the Fiscal Agent. The Issuer's or the Competent Authority's determination that a Trigger Event has occurred and of the relevant Write Down Amount shall be irrevocable and be binding on all parties. In addition the Issuer shall deliver a certificate to the Fiscal Agent signed by the Authorised Signatories setting out in reasonable detail the applicable calculation of the relevant Write Down Amount.

Any reduction of the Prevailing Principal Amount of a Capital Security pursuant to Condition 6*(a)* shall not constitute a default by the Issuer for any purpose, and the Holders shall have no right to claim for amounts Written Down whether in a bankruptcy or dissolution (*ontbinding*) or otherwise, save to the extent (if any) such amounts are Written Up in accordance with Condition 6*(d)*.

(d) Write Up

The Issuer shall have full discretion to reinstate, to the extent permitted in compliance with the Capital Regulations, any portion of the relevant Write Down Amount (the "**Write Up Amount**"). The reinstatement of the Prevailing Principal Amount (such reinstatement being referred to herein as a "**Write Up**", and "**Written Up**" shall be construed accordingly) may occur on more than one occasion (and each Capital Security may be Written Up on more than one occasion), provided that the principal amount of each Capital Security shall never be Written Up to an amount greater than its Initial Principal Amount.

Any such Write Up of the Capital Securities shall be made on a *pro rata* basis and without any preference among themselves and on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any). Any failure by the Issuer to Write Up the Capital Securities on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any) however will not affect the effectiveness, or otherwise invalidate, any Write Up of the Capital Securities and/or write up of the Written Down Additional Tier 1 Instruments or give Holders any rights as a result of such failure.

To the extent that the Prevailing Principal Amount of the Capital Securities has been Written Up as described above, Interest shall begin to accrue from the date of the relevant Write Up on the increased Prevailing Principal Amount of the Capital Securities.

Any Write Up of the Prevailing Principal Amount of the Capital Securities may not exceed the Maximum Distributable Amount (after taking account of any other relevant distributions of the kind referred to in Article 141(2) of the CRD (or any provision of applicable law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), transposing or implementing Article 141(2) of the CRD, as amended or replaced, or any equivalent or similar law or rule or provision of the Capital Regulations, in each case to the extent then applicable to the Issuer)).

Further, any Write Up of the Prevailing Principal Amount of the Capital Securities may not be made to the extent that the sum of:

(i) the aggregate amount of the relevant Write Up and any other Write Up on the Capital Securities since the Reference Date;

(ii) the aggregate amount of any interest payments paid on the Capital Securities and on any Loss Absorbing Instruments, in each case since the Reference Date and which, in each case, accrued on the basis of a prevailing principal amount which is less than its initial principal amount; and

(iii) the aggregate amount of the increase in principal amount of each Written Down Additional Tier 1 Instrument since the Reference Date up to the time of the relevant Write Up,

would exceed the lower of:

(i) the amount equal to the profits of the Issuer available for such purpose in accordance with the Capital Regulations (on a solo or non-consolidated basis) after the Issuer has taken a formal decision confirming the relevant final net profits multiplied by the ratio of the original principal amount of all outstanding Loss Absorbing Instruments of the Issuer which have been subject to a write down and of the Capital Securities, divided by the total Tier 1 Capital of the Issuer (both as calculated on a solo or non-consolidated basis) at the date of the relevant Write Up; and

(ii) the amount equal to the profits of the Rabobank Group available for such purpose in accordance with the Capital Regulations (on a consolidated basis) after the Rabobank Group has taken a formal decision confirming the relevant final net profits multiplied by the ratio of the original principal amount of all outstanding Loss Absorbing Instruments of the Rabobank Group which have been subject to a write down and of the Capital Securities, divided by the total Tier 1 Capital of the Rabobank Group (both as calculated on a consolidated basis) at the date of the relevant Write Up.

As used above, "**Reference Date**" means, in respect of a Write Up, the date falling at the end of the financial year immediately preceding the relevant Write Up.

Any Write Up will be subject to (a) it not causing a Trigger Event and (b) the Issuer obtaining the prior written permission of the Competent Authority therefor (provided at the relevant time such permission is required to be given).

As at the Issue Date, Capital Regulations do not require that the prior written permission of the Competent Authority is obtained in order for the Issuer to give effect to any Write Up.

A Write Up may be made on more than one occasion in accordance with this Condition 6*(d)* until the Prevailing Principal Amount of the Capital Securities has been reinstated to the Initial Principal Amount.

Any Write Up will be subject to the same terms and conditions as set out in these Conditions.

Any decision by the Issuer to effect or not to effect any Write Up pursuant to this Condition 6*(d)* on any occasion shall not preclude it from effecting or not effecting any Write Up on any other occasion pursuant to this Condition 6*(d)*.

If the Issuer elects to Write Up the Capital Securities pursuant to this Condition 6*(d)*, notice (a "**Write Up Notice**") of such Write Up shall be given to Holders in accordance with Condition 14 specifying the amount of any Write Up and the date on which such Write Up shall take effect and to the Fiscal Agent. Such Write Up shall be given at least ten Business Days prior to the date on which the relevant Write Up is to become effective.

7 Redemption, Substitution, Variation and Purchase

(a) Perpetual Capital Securities

The Capital Securities are perpetual securities and the Issuer shall, without prejudice to its ability to effect a Write Down in accordance with Condition 6*(a)*, only have the right to redeem them or purchase them in accordance with the following provisions of this Condition 7.

(b) Conditions to Redemption, Substitution, Variation and Purchase

Any redemption, substitution, variation or purchase of the Capital Securities in accordance with Condition 7*(c)*, *(d)*, *(e)*, *(f)* or *(g)* is subject, as applicable, to:

(i) the Issuer obtaining the prior written permission of the Competent Authority therefor, provided that at the relevant time such permission is required to be given. For the avoidance of doubt, any refusal of the Competent Authority to grant such permission shall not constitute a default for any purpose;

(ii) in the case of any redemption or purchase, both at the time of, and immediately following, such redemption or purchase, the Issuer being in compliance with its capital requirements as provided in the Capital Regulations (and a certificate from the Authorised Signatories confirming such compliance shall be conclusive evidence of such compliance);

(iii) except in the case of any purchase of the Capital Securities in accordance with Condition 7*(g)*, the Issuer giving not less than 15 nor more than 30 calendar days' notice to the Holders, the Fiscal Agent and the Paying Agents in accordance with Condition 14, which notice shall, save as provided below, be irrevocable;

(iv) in the case of any redemption or purchase, if and to the extent then required under prevailing Capital Regulations, either: (A) the Issuer having replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Rabobank Group; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any applicable capital buffer requirements) by a margin (calculated in accordance with applicable Capital Regulations) that the Competent Authority considers necessary at such time; and

(v) in respect of a redemption or purchase prior to the fifth anniversary of the Issue Date, if and to the extent then required under prevailing Capital Regulations (A) in the case of redemption upon the occurrence of a Tax Law Change, the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in applicable tax treatment of the Capital Securities is material and was not reasonably foreseeable at the Issue Date; (B) in the case of redemption upon the occurrence of a Capital Event, (x) the Competent Authority considers that the change in the

regulatory classification of the Capital Securities is sufficiently certain and (y) the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the regulatory classification of the Capital Securities was not reasonably foreseeable as at the Issue Date; or (C) in the case of a purchase pursuant to Condition 7(g), (i) the Issuer having before or at the same time as such purchase, replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (ii) the Capital Securities being purchased for market-making purposes in accordance with prevailing Capital Regulations.

Notwithstanding the above conditions, if, at the time of such redemption, substitution, variation or purchase, the prevailing Capital Regulations permit the repayment or purchase only after compliance with one or more alternative or additional pre-conditions to those set out in this Condition 7*(b)*, the Issuer shall, in the alternative or in addition to the foregoing (as required by the Capital Requirements) comply with such other and/or (as appropriate) additional pre-condition(s).

If the Issuer has given notice to redeem, substitute or vary the Capital Securities pursuant to Condition 7*(b)(iii)*, and prior to the relevant date of redemption, substitution or variation pursuant to this Condition 7 a Trigger Event occurs, the relevant notice shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Holders in accordance with Condition 14 and the Fiscal Agent and Paying Agents, as soon as practicable. Further, no such notice shall be given in the period following the giving of a Trigger Event Notice and prior to the relevant Write Down Date.

Any refusal by the Competent Authority to give its written permission as contemplated above shall not constitute a default for any purpose.

Prior to the publication of any notice of redemption, substitution or variation pursuant to this Condition 7 (other than redemption pursuant to Condition 7*(c)*), the Issuer shall deliver to the Fiscal Agent a certificate signed by the Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied.

(c) Issuer's Call Option

Subject to Condition 7*(b)*, the Issuer may elect, in its sole discretion, to redeem all, but not some only, of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.

(d) Redemption Due to Taxation

If, as a result of a Tax Law Change that causes a change in the applicable tax treatment of the Capital Securities the Issuer will be required to pay Additional Amounts with respect to payments on the Capital Securities then the Issuer may, at its option, subject to Condition 7*(b)*, having delivered to the Fiscal Agent a copy of an opinion of an independent nationally recognised law firm or other tax adviser in the Netherlands experienced in such matters, and having given the notice required by Condition 7*(b)* specifying the date fixed for redemption, at any time redeem all, but not some only, of the Capital Securities at their Redemption Price on the relevant date fixed for redemption.

(e) Redemption for Regulatory Purposes

If a Capital Event has occurred and is continuing, then the Issuer may, at its option, subject to Condition 7*(b)* and having given the notice required by Condition 7*(b)* specifying the date fixed for redemption, at

any time redeem all, but not some only, of the Capital Securities at their Redemption Price on the relevant date fixed for redemption.

(f) Substitution or Variation for a Capital Event

If a Capital Event has occurred and is continuing, then the Issuer may, subject to Condition 7*(b)* (without any requirement for the consent or approval of the Holders) either substitute all (but not some only) of the Capital Securities for, or vary the terms of the Capital Securities so that they remain or, as appropriate, become, Compliant Securities. Upon the expiry of the notice required by Condition 7*(b)*, the Issuer shall either vary the terms of, or substitute, the Capital Securities in accordance with this Condition 7*(f)*, as the case may be. In connection with any substitution or variation in accordance with this Condition 7*(f)*, the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Capital Securities.

(g) Purchases

The Issuer or any other member of the Rabobank Group may, subject to Condition 7*(b)* and to applicable law and regulation (which at the Issue Date shall include, without limitation, the CRD and the CRR), purchase Capital Securities in any manner and at any price (provided that, if they should be cancelled under Condition 7*(h)* below, they are purchased together with all unmatured Coupons relating to them).

However, the Issuer or any agent on its behalf shall have the right at all times to purchase the Capital Securities for market-making purposes, provided that (a) prior written approval of the Competent Authority shall be obtained where required and (b) the total principal amount of the Capital Securities so purchased does not exceed the predetermined amount permitted to be purchased for market-making purposes under the applicable Capital Regulations applicable from time to time (such predetermined amount not to exceed the limits set forth in article 29(3)(b) of Commission Delegated Regulation (EU) 241/2014)).

(h) Cancellation

All Capital Securities redeemed by the Issuer pursuant to this Condition 7, and any unmatured Coupons or Talons attached to or surrendered with them, will forthwith be cancelled. All Capital Securities and Coupons purchased by or on behalf of the Issuer or any other member of the Rabobank Group may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation. Capital Securities, Coupons and Talons so surrendered shall be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities, Coupons or Talons shall be discharged.

8 Payments

(a) Method of Payment

Payments of principal and Interest shall be made against presentation and surrender (or, in the case of a partial payment, endorsement) of the Capital Securities or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent (subject to Condition 8*(a)(ii)*) by Euro cheque drawn on, or by transfer to a Euro account maintained by the payee with, a bank in a city in which banks have access to TARGET. Payments of Interest due in respect of any Capital Security other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Capital Security.

(b) Payments Subject to Fiscal Laws

Without prejudice to the terms of Condition 10, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment or other laws to which the Issuer or its Agents agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulating directives or agreement. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Unmatured Coupons

Upon the due date for redemption of any Capital Security, any unexchanged Talon relating to such Capital Security (whether or not attached) shall become void and no Coupons shall be delivered in respect of such Talon and unmatured Coupons relating to such Capital Security (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Capital Security is presented for redemption without all unmatured Coupons and any unexchanged Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(d) Talons

On or after the Interest Payment Date for the final Coupon forming part of the Coupon sheet issued in respect of any Capital Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (but excluding any Coupons that may have become void pursuant to Condition 11).

(e) Payments on business days

A Capital Security or Coupon may only be presented for payment on a business day in the place of presentation (and, in the case of payment by transfer to a Euro account, a day which is a TARGET Business Day). If the day on which the relevant Capital Security or Coupon may be presented for payment falls on a non-business day, the Holder or Couponholder shall not be entitled to payment until the next following business day, and shall not be entitled to any interest or other sum in respect of such postponed payment. In this Condition 8*(e)*, "**business day**" means a day on which commercial banks and foreign exchange markets are open in the place of the location of the specified office of the relevant Paying Agent.

9 Limited Remedies in case of Non-Payment

In the case of (a) the bankruptcy of the Issuer or (b) dissolution (*ontbinding*), Holders shall have a claim as provided in Condition 3*(b)*. However, Holders may not themselves petition for the bankruptcy of the Issuer or for its dissolution.

Under the Dutch Bankruptcy Code, creditors may not apply for the bankruptcy of a bank. Only De Nederlandsche Bank N.V. can request the relevant Dutch court to declare a bank bankrupt in the circumstances where De Nederlandsche Bank N.V. considers there are "signs of a dangerous development with regard to own funds, solvency or liquidity" of the relevant bank.

Subject to Condition 3*(b)*, in which case holders shall have a claim as set out therein, the sole remedy available to Holders to enforce any term or condition binding on the Issuer under the Capital Securities shall be to institute proceedings against the Issuer to demand payment of any principal in respect of the Capital Securities when not satisfied for a period of 14 or more days after the date on which such payment is due, but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

No remedy against the Issuer, other than as referred to in Condition 3 and this Condition 9, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or the Coupons

or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities or the Coupons.

The right of Holders to institute proceedings to enforce any payment obligations under or arising from the Capital Securities or the Coupons is limited to circumstances where payment has become due and has not been made for 14 days or more as set out above. For these purposes however, any payments of Interest which are cancelled pursuant to Condition 5 or Condition 6(a) or principal which is Written Down in accordance with Condition 6 and not Written Up again in accordance with Condition 6(d) or principal which is not paid by reason of Condition 7(b) shall not be due. The Capital Securities are perpetual securities and the Issuer may only redeem them, and make Interest payments in respect of them, if certain conditions are met. Even if such conditions are met, the Issuer is under no obligation to make any payment, whether of principal or Interest, on the Capital Securities or the Coupons. The Issuer is under no obligation to redeem the Capital Securities. In the case of any Interest payment, even if not required to cancel such payment, the Issuer may elect to cancel that payment at its discretion. In these circumstances no payment, whether of principal or Interest, will be due.

10 Taxation

All payments made by or on behalf of the Issuer in respect of the Capital Securities and the Coupons will be made without withholding or deduction for or on account of Relevant Tax paid by or on behalf of the Issuer, unless the withholding or deduction of such Relevant Tax is required by law. In that event, in respect of payments of Interest (but not principal or any other amount) the Issuer will (to the extent such payment can be made out of Distributable Items which are available *mutatis mutandis* in accordance with Condition 5*(b)*) pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders or Couponholders of such amounts as would have been received by them in respect of payments of Interest had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Capital Security:

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

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

Notwithstanding any other provision of these Conditions of the Capital Securities, any amounts to be paid on the Capital Securities by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

11 Prescription

Claims for principal and Interest shall become void unless the relevant Capital Security or Coupon (which for this purpose shall not include Talons) is presented for payment as required by Condition 8 within a period of five years of the appropriate due date. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 11 or Condition 8*(c)*.

12 Replacement of Capital Securities, Coupons and Talons

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

13 Meetings of Holders, Modification and Waiver

(a) Meetings of Holders

The Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Holders holding not less than 10 per cent. in principal amount of the Capital Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting two or more persons holding or representing whatever the principal amount of the Capital Securities held or represented, unless the business of such meeting includes consideration or proposals, inter alia, (i) to modify the provisions for redemption of the Capital Securities or the dates on which Interest is payable in respect of the Capital Securities, (ii) to reduce or cancel the principal amount of, or amounts payable on redemption of, the Capital Securities (in each case other than as a result of the operation of Condition 6), (iii) to reduce the Interest Rate or to vary the method of calculating the Interest Rate, or method of calculating the Interest Amount, on the Capital Securities, (iv) to change the currency of payment of the Capital Securities or the Coupons, (v) to modify the provisions concerning the quorum required at any meeting of Holders, (vi) to modify the provisions regarding the status or recapitalisation features of the Capital Securities referred to in Condition 3*(a)* or Condition 6 or (vii) to modify the provisions regarding the cancellation of Interest referred to in Condition 5 or 6*(a)* in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. in principal amount of the Capital Securities for the time being outstanding or at any adjourned meeting two or more persons holding or representing not less than 25 per cent. in principal amount of the Capital Securities for the time being outstanding.

(b) Modification and waiver

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders or Couponholders. The Agency Agreement and the Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, Holder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the

interests of the Holders or Couponholders. The Conditions may also be amended as provided herein without the agreement or approval of the Holders or Couponholders in the case of any Write Down of the principal amount of the Capital Securities in accordance with Condition 6*(a)* or in the circumstances described in Condition 7*(f)* in connection with the variation of the terms of the Capital Securities so that they become or remain alternative Compliant Securities.

Any amendment to these Conditions is subject to the Issuer obtaining the prior written permission of the Competent Authority therefor (provided at the relevant time such permission is required to be given).

14 Notices

Notices to Holders will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe or, if the Capital Securities are listed on the official list of Euronext Dublin and admitted to trading on the Global Exchange Market of Euronext Dublin (and so long as the rules of Euronext Dublin so permit), if published on the website of Euronext Dublin (*https://www.euronext.com*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Capital Securities are for the time being listed or on which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

15 Further Issues

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

16 Agents

The Fiscal Agent and Paying Agents initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent and Paying Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and any Paying Agent and to appoint additional or other agents, provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent and (iii) paying agents having specified offices in at least two major European cities (including Amsterdam).

Notice of any such termination or appointment and of any change in the specified office of the Fiscal Agent or any Paying Agent will be given to the Holders in accordance with Condition 14. If the Fiscal Agent or any Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint an independent investment bank or financial institution registrar to act as such in its place. The Fiscal Agent and the Paying Agents may not resign their duties or be removed without a successor having been appointed as aforesaid.

17 Governing Law

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

18 Jurisdiction

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

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

The Temporary Global Capital Security and the Global Capital Security contain provisions which apply to the Capital Securities while they are in global form, some of which modify the effect of the terms and conditions of the Capital Securities set out in this document. The following is a summary of certain of those provisions.

1. Form of Capital Securities

The Capital Securities will initially be represented by a Temporary Global Capital Security without interest coupons in bearer form, which will be deposited on or about the Issue Date with Deutsche Bank AG, London Branch as common depositary on behalf of interests held through Euroclear and Clearstream, Luxembourg.

2. Exchange

The Temporary Global Capital Security will be exchangeable in whole or in part for interests in the Global Capital Security on or after a date which is expected to be 20 October 2019, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Capital Security.

The Global Capital Security is exchangeable in whole but not, except as provided in the paragraph below, in part (free of charge to the holder) for Definitive Capital Securities:

(i) if such Capital Securities are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) any of the circumstances described in Condition 9; or

(iii) with the consent of the Issuer.

3. Payments

Payments of principal and interest in respect of Capital Securities represented by the Global Capital Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Capital Securities, surrender of the Global Capital Security to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Holders for such purpose.

A record of each payment made in respect of Capital Securities represented by the Global Capital Security will be endorsed in the appropriate schedule to such Global Capital Security, which endorsement will be prima facie evidence that such payment has been made in respect of such Capital Securities.

4. Accountholders

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

5. Default

If principal or Interest in respect of any Capital Security is not paid for a period of 14 or more days after the date on which such payment became due and payable, the holder of the Global Capital Security may from time to time elect that direct enforcement rights under the provisions of the Global Capital Security shall come into effect as against the Issuer, in favour of the relevant person(s) shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder(s) of such Capital Securities represented by the Global Capital Security. Such election shall be made by notice to the Fiscal Agent and presentation of the Global Capital Security to or to the order of the Fiscal Agent for reduction of the principal amount of Capital Securities represented by the Global Capital Security to EUR zero (or to such other figure as shall be specified in the notice) by endorsement thereon and the corresponding endorsement thereon of such principal amount of Capital Securities in respect of which such direct enforcement rights have arisen. Upon such notice being given the appropriate direct enforcement rights shall take effect.

6. Notices

So long as the Capital Securities are represented by the Global Capital Security and the Global Capital Security is held on behalf of a clearing system, notices to Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Capital Securities, provided that, so long as the Capital Securities are listed on Euronext Dublin, the requirements of Euronext Dublin have been complied with.

7. Prescription

Claims against the Issuer in respect of principal and interest on redemption while the Capital Securities are represented by the Global Capital Security will become void unless the Global Capital Security is presented for payment within a period of five years of the appropriate due date in the case of principal and interest.

8. Meetings

The holder of the Global Capital Security will be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, as having one vote in respect of each EUR 0.01 principal amount of Capital Securities for which the Global Capital Security may be exchanged.

9. Purchase, Cancellation and Write Down

Cancellation of any Capital Security required by the Conditions to be cancelled, and the Write Down of the Prevailing Principal Amount of any Capital Security to EUR 0.01 in accordance with the Conditions, will be effected by reduction in the Prevailing Principal Amount of the Global Capital Security. Write Up of any Capital Security will be effected by way of reinstatement of the relevant Write Up Amount. For so long as the Capital Securities are represented by the Global Capital Security, any such Write Down or Write Up (if any) shall be reflected in the records of Euroclear and Clearstream, Luxembourg by the application of a pool factor.

DESCRIPTION OF BUSINESS OF RABOBANK GROUP

General

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. Rabobank Group comprises Rabobank as the top holding entity together with its subsidiaries in the Netherlands and abroad. Rabobank Group operates in 38 countries. Its operations include domestic retail banking, Wholesale, Rural & Retail ("**WRR**"), leasing and real estate. It serves approximately 8.3 million clients around the world. In the Netherlands, its focus is on maintaining Rabobank Group's position in the Dutch market and, internationally, on food and agriculture. Rabobank Group believes that its entities have strong interrelationships due to Rabobank Group's cooperative structure.

Rabobank Group's cooperative core business is carried out by the local Rabobanks. With 409 branches at 31 December 2018, the local Rabobanks form a dense banking network in the Netherlands. Together the local Rabobanks serve approximately 6.5 million retail clients, and approximately 800,000 corporate clients, offering a comprehensive package of financial services. Clients can become members of Rabobank.

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 on-going programme, Rabobank Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. Rabobank Group provides an integrated range of financial services comprising primarily domestic retail banking, WRR, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

As at 31 December 2018, Rabobank Group had total assets of €590.4 billion, a private sector loan portfolio of €416.0 billion, amounts due to customers of €342.4 billion (of which savings deposits total €142.7 billion) and equity of €42.2 billion. Of the private sector loan portfolio, €194.9 billion, virtually all of which were mortgages, consisted of loans to private individuals, €118.0 billion of loans to the trade, industry and services sector and €103.1 billion of loans to the food and agriculture sector. As at 31 December 2018, its CET1 Ratio, which is the ratio between Common Equity Tier 1 Capital and total risk-weighted assets, was 16.0 per cent. and its capital ratio, which is the ratio between qualifying capital and total risk-weighted assets, was 26.6 per cent. For the year ended 31 December 2018, Rabobank Group's cost/income ratio, which is the ratio between total operating expenses (regulatory levies included) and total income, was 65.9 per cent. and 71.3 per cent. for the year ended 31 December 2017. Rabobank Group realised a net profit of €3,004 million for the year ended 31 December 2018. As at 31 December 2018, Rabobank Group employed 41,861 employees (internal and external full time employees ("**FTEs**")).

The return on invested capital ("**ROIC**") is calculated by dividing net profit realised after non-controlling interests by the core capital (actual Tier 1 capital plus the goodwill in the balance sheet at the end of the reporting period) minus deductions for non-controlling interests in Rabobank's equity. For the year ended 31 December 2018, Rabobank's ROIC was 7.4 per cent. As at 31 December 2017, it was 6.9 per cent.

Group overview

The overview below provides an overview of the business of Rabobank Group. The figures presented in the overview are provided as at 31 December 2018.

Business activities of Rabobank Group

Through the local Rabobanks, Rabobank and its other subsidiaries, Rabobank Group provides services in the following core business areas: Domestic Retail Banking; Wholesale, Rural and Retail; Leasing; and Real Estate.

Domestic Retail Banking

Domestic Retail Banking ("**DRB**") comprises the local Rabobanks and Obvion N.V. ("**Obvion**"). In the Netherlands, Rabobank is a significant mortgage bank, savings bank and insurance agent. Based on internal

estimates, Rabobank believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers.

As at 31 December 2018, DRB had total external assets of €280.7 billion, a private sector loan portfolio of €276.1 billion, deposits from customers of €236.7 billion (of which savings deposits total €119.1 billion). For the year ended 31 December 2018, DRB accounted for 59 per cent., or €7,101 million, of Rabobank Group's total income and 68 per cent., or €2,035 million, of Rabobank Group's net profit. As at 31 December 2018, DRB employed 12,069 FTEs.

Local Rabobanks

Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and mobile telephones. Many private individuals have current, savings or investment accounts or mortgages with the local Rabobanks. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks traditionally have had close ties with the agricultural sector.

Obvion

Obvion is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers.

Wholesale, Rural and Retail

WRR focuses its activities on the food and agri sector and has an international network of branches with offices and subsidiaries in various countries. Rabobank also operates RaboDirect internet savings banks. The wholesale banking division serves the largest domestic and international companies (Corporates, Financial Institutions, Traders and Private Equity). Rural banking is focused on offering financial solutions for the specific needs of leading farmers and their communities in a selected number of key food & agri countries. The total number of internal and external employees in wholesale, rural and retail stood at 7,684 FTEs at year-end 2018.

All sectors in the Netherlands are being serviced, while outside the Netherlands Rabobank focuses on the food and agriculture and trade-related sectors. Internationally, Rabobank Group services food & agri clients, ranging from growers to the industrial sector, through its global network of branches. Rabobank Group services the entire food value chain, with specialists per sector. Rabobank Group advises its clients and prospects in these sectors by offering them finance, knowledge and its network. Rabobank is active in the main food-producing countries such as the United States, Australia, New Zealand, Brazil and Chile and main food consumption countries.

As at 31 December 2018, WRR had total external assets of €140.2 billion and a private sector loan portfolio of €109.0 billion. For the year ended 31 December 2018, WRR accounted for 28 per cent., or €3,335 million, of Rabobank Group's total income and 24 per cent., or €710 million, of Rabobank Group's net profit.

Leasing

Within Rabobank, DLL International B.V. ("**DLL**") is the entity responsible for Rabobank Group's leasing business supporting manufacturers and distributors selling products and services worldwide with vendor finance. DLL, active in more than 30 countries, is a global provider of asset-based financial solutions in the agriculture, food, healthcare, clean technology, transportation, construction, industrial and office technology industries. DLL is committed to delivering integrated financial solutions that support the complete asset life cycle. As of 31 December 2018, DLL employed 5,026 FTEs (including external staff).

Rabobank owned a 100 per cent. equity interest in DLL as at 31 December 2018. Its issued share capital amounted to €98,470,307 as at 31 December 2018, all of which is owned by Rabobank. As at 31 December 2018, Rabobank's liabilities to DLL amounted to €2,352 million. As at 31 December 2018, Rabobank's claims on DLL amounted to €26,498 million (loans, current accounts, financial assets and derivatives).

As at 31 December 2018, DLL had a private sector loan portfolio of €30.3 billion. For the year ended 31 December 2018, DLL accounted for 11 per cent., or €1,366 million, of Rabobank Group's total income and 13 per cent., or €399 million, of Rabobank Group's net profit.

Real Estate

The Real Estate segment results comprise the results of Bouwfonds Property Development ("**BPD**") and Rabo Real Estate Group (comprising Bouwfonds Investment Management ("**Bouwfonds IM**") and a financial holding company). Responsible for developing residential real estate areas, BPD focuses on residential areas, multifunctional projects and public facilities. BPD has been positioned as a direct subsidiary of Rabobank since 1 July 2017. As real asset investment management division Bouwfonds IM aims to deliver sustainable value by investing capital raised from its clients through investment funds and by actively managing these portfolios. In line with the Rabobank real estate strategy, real estate financier FGH Bank N.V.'s expertise remains within the bank, in the real estate finance organisation. Rabo Real Estate Group is a centre of expertise in the area of commercial real estate financing. It advises local Rabobanks about commercial real estate lending. On 30 June 2018 FGH Bank N.V. legally merged with Coöperatieve Rabobank U.A and ceased to exist. As of 31 December 2018, the Real Estate segment employed 618 FTEs (including external staff).

For the year ended 31 December 2018, BPD sold 10,142 houses. The loan portfolio of the Real Estate segment amounted to €0.3 billion. For the year ended 31 December 2018, the Real Estate segment accounted for 5 per cent., or €574 million, of Rabobank Group's total income and 10 per cent., or €308 million, of Rabobank Group's net profit.

Participations

As of 31 December 2018, Rabobank held a 30 per cent. interest in Achmea B.V. ("**Achmea**"). Rabobank does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in Rabobank's audited consolidated financial statements. Achmea is accounted for as an associate in Rabobank's audited consolidated financial statements in accordance with the equity method. Achmea is a major insurance company in the Netherlands, where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Achmea occupies a relatively minor position outside the Netherlands, operating in four other European countries and Australia. Rabobank and Achmea work closely together in the area of insurance.

Recent Developments

Potential Impact of Brexit

The uncertainty with regard to Brexit has grown during the first months of 2019. Rabobank is monitoring the potential impact of Brexit and has prepared contingency plans on the basis of scenario analysis. In accordance with (PRA) guidance, and to continue its banking activities in the UK post-Brexit, Rabobank has submitted a Third Country Banking Licence application to the PRA/FCA and is actively engaged with home and host regulators (ECB, PRA and FCA) on the topic of Brexit preparedness. In the scenario of a hard Brexit, Rabobank expects a limited increase of the loan impairment allowance, as Rabobank's exposure to the UK is modest. Indirect effects of a Brexit could be negative for the Dutch economy as the UK is an important trade partner of the Netherlands.

Sale of Certain of RNA's Businesses to Mechanics Bank

On 15 March 2019, Rabobank entered into an agreement to sell Rabobank National Association's ("**RNA**") retail, business banking, commercial real estate, mortgage, wealth management and other non-Food & Agri businesses to Mechanics Bank, a community bank based in Walnut Creek, California. Rabobank will own a 9.9 per cent stake in the combined bank. Not included in the transaction are RNA's food and agribusiness assets, which with limited exceptions will be transferred to RNA's affiliate, Rabo AgriFinance. The transaction is expected to be completed in the third quarter of 2019, subject to customary closing conditions, including the receipt of required regulatory approvals. After completion of the transaction, Rabobank's CET1 ratio is estimated to increase by approximately 40 basis points. Subject to customary purchase price adjustments, the total consideration amounts to approximately USD 2.1 billion, including a material pre-closing dividend and a 9.9 per cent stake in Mechanics Bank. The parties have also agreed that upon closing of the transaction, Mechanics Bank will provide cash management services to Rabobank's Dutch clients doing business in the U.S. and Rabo AgriFinance clients in a similar manner as provided by RNA today.

Rabobank's credit ratings

At the date of this Offering Circular, Rabobank has been assigned the following ratings: S&P ("A+"), Moody's ("Aa3"), Fitch ("AA-") and DBRS ("AA"). Rabobank also maintained its outlook with these rating agencies: "Stable" with Moody's, Fitch and DBRS, and "Positive" with S&P.

All the rating agencies view Rabobank's leading position in the Dutch banking sector and the International Food and Agri sector as important rating drivers. Rabobank has a significant buffer of equity and subordinated debt, which offers protection to non-subordinated bondholders, and also plays an important role in our ratings.

A rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. Actual or anticipated declines in Rabobank's credit ratings may affect the market value of the Capital Securities. There is no assurance that a rating will remain unchanged during the term of the Capital Securities.

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

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

Strategy of Rabobank Group

In 2018, Rabobank continued the implementation of its Strategic Framework 2016-2020, which describes how it wants to achieve its ambitions. This strategy provides a sharpened focus on improving customer service and realising a fundamental improvement in financial performance across Rabobank in order to safeguard its future success. To fulfil its ambitions for 2020, Rabobank is focusing on the following three core objectives.

1. *Excellent customer focus*. In the Netherlands, Rabobank strives to be the most customer-focused bank in the country and Rabobank aims for a sharp increase in customer satisfaction outside the Netherlands as well. The management of Rabobank believes that this is where its strength and distinctiveness lie. Rabobank expects to undergo a fundamental transformation in the coming years in terms of working methods, culture, attitudes and conduct. By doing so, Rabobank is responding to changes in customer

needs, the uncertain economic climate, expectations of society and the stricter requirements of regulators. Rabobank wants to become the most customer-focused bank in the Netherlands and in the food & agri sector internationally by excelling in basic services, being the closest to its customers at key moments and fulfilling its role as a financial partner serving our customers. This will enable Rabobank to expand its services as an intermediary, for example in the fields of crowdfunding and working with institutional investors.

2. *Increased flexibility and reduction of the balance sheet*. In the years to come, Rabobank anticipates a further tightening of the regulatory environment. For example, the implementation of the proposed reforms to Basel III and implementation of MREL require Rabobank's balance sheet to be more flexible. Rabobank wants to achieve balance sheet optimisation by, among other things, placing parts of its loan portfolio with external parties and maintaining a liquidity buffer that is in line with the reduced balance sheet total. Rabobank is carefully monitoring ongoing developments with regard to the pending Basel regulations, the final outcome of which will ultimately determine the extent of the required balance sheet reduction, but without changing its other financial targets for 2020.

3. *Performance improvement*. Rabobank aims to improve its performance by improvements in efficiency and cost reductions within Rabobank's central organisation, the local Rabobanks and the international organisation. The improvement should be effected by both higher revenues and lower costs through increasing efficiency and new ways of working (e.g. increased digitalisation and more flexible working spaces). Rabobank aims to achieve an ROIC of at least 8 per cent in 2020.

Implementation accelerators

The strategy calls for a substantial transformation of Rabobank. In view of the challenges Rabobank faces, Rabobank has identified three accelerators to realise and strengthen the transformation:

1. *Strengthening innovation*: Innovation allows Rabobank to improve its services and respond rapidly to opportunities in the market. In addition, innovation is essential to provide support to Rabobank's customers.

2. *Empowering employees*: Achieving the strategic objectives will require a transformation into an organisation in which there is scope for professionalism and entrepreneurship, with a continual focus on development and training, employee diversity and a good, learning corporate culture.

3. *Creating a better cooperative organisation*: The new governance structure (see "Structure and Governance of Rabobank Group") will contribute to the transformation that Rabobank as an organisation must go through to fulfil its strategy. This will allow an organisation to emerge that is flexible for the future and centres on maximum local entrepreneurship.

Strategy implementation

The Strategic Framework 2016-2020 has initiated a group wide transition process consisting of a wide range of change initiatives that impact Rabobank's organisational structure, the way it works and the way it serves its customers. In addition to many initiatives in the line organisation, several large, strategic projects are also expected to be implemented. The strategic implementation agenda has been designed along four strategic pillars: Complete customer focus, Rock-solid bank, Meaningful cooperative and Empowered employees. The transition process is dynamic and is expected to be adjusted based on evolving circumstances.

An integrated process for the coordination of the transition is essential to ensure timely and coherent implementation of the strategic goals. This process began in 2016 and is expected to continue in the coming years. Strategy implementation is facilitated by a central oversight and coordination office for performance and strategic initiatives, which reports frequently to the Managing Board, Supervisory Board and supervisors. Processes have been established to ensure short-cycle steering by the Managing Board members in their

respective domains, based on goals that have been translated into concrete activities, key performance indicators ("**KPI**") and clearly allocated responsibilities. This approach enables the line organisation to remain in the lead of the transition process.

Competition in the Netherlands

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

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks and Obvion have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 64 per cent. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage-lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally only have the option to prepay a certain percentage on the principal amount on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

Market Shares in the Netherlands

Rabobank Group offers a comprehensive package of financial products and services in the Netherlands. Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

Residential mortgages: As at 31 December 2018, Rabobank Group had a market share of 20.2 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (16.6 per cent. by local Rabobanks and 3.6 per cent. by Obvion; source: Dutch Land Registry Office (*Kadaster*)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

Saving deposits of individuals: As at 31 December 2018, Rabobank Group had a market share of 32.9 per cent. of the Dutch savings market (source: Statistics Netherlands (Centraal Bureau voor de Statistiek)). Rabobank Group is one of the largest savings institutions in the Netherlands measured as a percentage of the amount of saving deposits (source: Statistics Netherlands).

Property, Plant and Equipment

Rabobank and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank Group believes that its facilities are adequate for its present needs in all material respects. The table below provides an overview of Rabobank Group's material owned facilities:

Location	Country	Owned / Rented	Encumbrances
Croeselaan 18 – 22, Utrecht	The Netherlands	Owned	None
Bloemmolen 2 – 4, Boxtel	The Netherlands	Owned	None

Material Contracts

There are no contracts, other than contracts entered into in the ordinary course of business, to which Rabobank or any member of Rabobank Group is party, for the two years prior to the date of this Offering Circular that are material to Rabobank Group as a whole. There are no other contracts (not being contracts entered in the ordinary course of business) entered into by any member of Rabobank Group which contain any provision under which any member of Rabobank Group has any obligation or entitlement which is material to Rabobank Group as at the date of this Offering Circular.

Insurance

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

Legal and Arbitration Proceedings

Rabobank Group is active in a legal and regulatory environment that exposes it to substantial risk of litigation. As a result, Rabobank Group is involved in legal cases, arbitrations and regulatory proceedings in the Netherlands and in other countries, including the United States. The most relevant legal and regulatory claims which could give rise to liability on the part of Rabobank Group are described on pages 169, 170 and 171 in Rabobank Group's audited consolidated financial statements for the year ended 31 December 2018, including the notes thereto, incorporated by reference into this Offering Circular. In addition, see the risk factor "*Legal Risk*" on pages 9 and 10 of this Offering Circular. If it appears necessary on the basis of the applicable reporting criteria, provisions are made based on current information; similar types of cases are grouped together and some cases may also consist of a number of claims. The estimated loss for each individual case (for which it is possible to make a realistic estimate) is not reported, because Rabobank Group feels that information of this type could be detrimental to the outcome of individual cases.

When determining which of the claims is more likely than not (i.e., with a likelihood of over 50 per cent.) to lead to an outflow of funds, Rabobank Group takes several factors into account. These include (but are not limited to) the type of claim and the underlying facts; the procedural process and history of each case; rulings from legal and arbitration bodies; Rabobank Group's experience and that of third parties in similar cases (if known); previous settlement discussions; third party settlements in similar cases (where known); available indemnities; and the advice and opinions of legal advisers and other experts.

The estimated potential losses, and the existing provisions, are based on the information available at the time and are for the main part subject to judgements and a number of different assumptions, variables and known and unknown uncertainties. These uncertainties may include the inaccuracy or incompleteness of the information available to Rabobank Group (especially in the early stages of a case). In addition, assumptions made by Rabobank Group about the future rulings of legal or other instances or the likely actions or attitudes of supervisory bodies or the parties opposing Rabobank Group may turn out to be incorrect. Furthermore, estimates of potential losses relating to the legal disputes are often impossible to process using statistical or other quantitative analysis instruments that are generally used to make judgements and estimates. They are then subject to a still greater level of uncertainly than many other areas where Rabobank Group needs to make judgements and estimates.

The group of cases for which Rabobank Group determines that the risk of future outflows of funds is higher than 50 per cent. varies over time, as do the number of cases for which Rabobank can estimate the potential loss. In practice the end results could turn out considerably higher or lower than the estimates of potential losses in those cases where an estimate was made. Rabobank Group can also sustain losses from legal risks where the occurrence of a loss may not be probable, but is not improbable either, and for which no

provisions have been recognised. For those cases where (a) the possibility of an outflow of funds is less likely than not but also not remote or (b) the possibility of an outflow of funds is more likely than not but the potential loss cannot be estimated, a contingent liability is shown.

Rabobank Group may settle legal cases or regulatory proceedings or investigations before any fine is imposed or liability is determined. Reasons for settling could include (i) the wish to avoid costs and/or management effort at this level, (ii) to avoid other adverse business consequences and/ or (iii) pre-empt the regulatory or reputational consequences of continuing with disputes relating to liability, even if Rabobank Group believes it has good arguments in its defence. Furthermore, Rabobank Group may, for the same reasons, compensate third parties for their losses, even in situations where Rabobank Group does not believe that it is legally required to do so.

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Rabobank is aware), during the 12 months prior to the date of this Offering Circular which may have, or have had in the past, significant effects on Rabobank and Rabobank Group's financial position or profitability are described under "*Legal and arbitration proceedings*" in Rabobank Group's audited consolidated financial statements for the year ended 31 December 2018, including the notes thereto, incorporated by reference into this Offering Circular. In addition, see the risk factor "*Legal Risk*" on pages 9 and 10 of this Offering Circular.

STRUCTURE AND GOVERNANCE OF RABOBANK GROUP

Rabobank structure

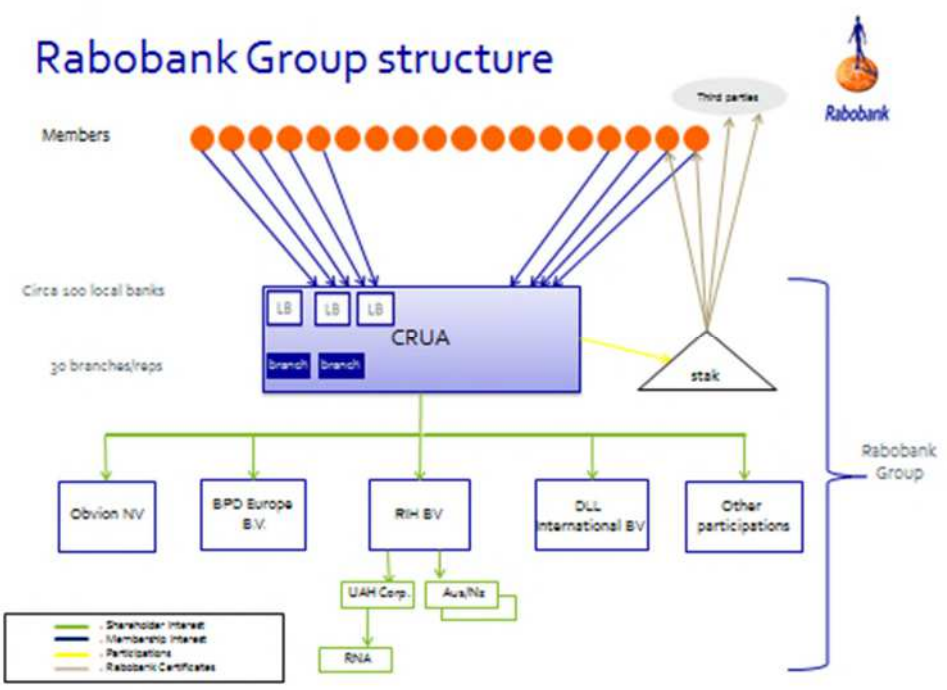
Rabobank Group comprises Coöperatieve Rabobank U.A. and its subsidiaries and participations in the Netherlands and abroad. Rabobank operates not only from the Netherlands but also from branches and representative offices all over the world. These branches and offices all form part of the legal entity Rabobank. Rabobank branches are located in Sydney, Antwerp, Toronto, Beijing, Shanghai, Dublin, Frankfurt, Madrid, Paris, Mumbai, Milan, Labuan, Wellington, New York, Singapore, Hong Kong and London. Rabobank representative offices are located in Mexico City, Buenos Aires, Istanbul, Kuala Lumpur, Tokyo, Atlanta, Chicago, Dallas, San Francisco, Nairobi and St. Louis.

Rabobank also conducts business through separate legal entities worldwide. Rabobank is shareholder of such entities. Rabobank has its executive office in Utrecht (Croeselaan 18, 3521 CB), the Netherlands (telephone number +31 (0)30 216 0000). Its statutory seat is in Amsterdam, the Netherlands. Rabobank is registered in the commercial register of the Chamber of Commerce under number 30046259. Rabobank uses various tradenames.

General

Rabobank is a licensed bank, in the legal form of a cooperative with excluded liability (coöperatie U.A.). It was established under Dutch law. Rabobank uses amongst others the trade names Rabobank Nederland and Rabobank. Rabobank was formed as a result of the merger of the Coöperatieve Centrale Raiffeisen Bank and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was established with unlimited duration on 22 December 1970. Until 1 January 2016, the Dutch local Rabobanks were separate legal cooperative entities. On 1 January 2016, a legal merger under universal title took place between Rabobank and all 106 local banks. Rabobank was the surviving entity.

The Managing Board is responsible for the management of Rabobank, including the local banks and, indirectly, its affiliated entities. Managing Board members are appointed by the Supervisory Board. The Supervisory Board is responsible for the supervision of the management by the Managing Board. Supervisory Board members are appointed by the General Members' Council of Rabobank. For further information regarding the governance of Rabobank Group, see "*Member influence within Rabobank Group*" below and "*Governance of Rabobank Group*".



Corporate purpose

The objective of a cooperative is to provide for certain material needs of its members by whom it is effectively owned and controlled. Pursuant to Article 3 of the Rabobank Articles, the corporate object of Rabobank is to promote the interests of its members and to do so by:

(i) conducting a banking business, providing other financial services, and, in that context, concluding agreements with its members;

(ii) participating in, otherwise assuming an interest in, and managing other enterprises of any nature whatsoever, and financing third parties, providing security in any way whatsoever or guaranteeing the obligations of third parties;

(iii) contributing to society, including promoting economic and social initiatives and developments; and

(iv) performing any activities which are incidental to or may be conducive to this object.

Rabobank is furthermore authorised to extend its activities to parties other than its members.

Member influence within Rabobank Group

As a cooperative, Rabobank has members, not shareholders. Customers of Rabobank in the Netherlands have the opportunity to become members of Rabobank. As at the date of this Offering Circular, Rabobank has approximately 1.9 million members. Members do not make capital contributions to Rabobank and do not have claims on the equity of Rabobank. The members do not have any obligations and are not liable for the obligations of Rabobank.

Main characteristics of Governance

Rabobank is a decentralised organisation with decision making powers at both a local and central level. The governance reflects the unity of cooperative and bank. Although the Dutch Corporate Governance Code

does not apply to the cooperative, Rabobank's corporate governance is broadly consistent with this code. Rabobank also observes the Dutch Banking Code.

The members of Rabobank are organised, based on, amongst other things, geographical criteria into about 100 Departments. Each local bank is linked to a Department. Within each Department, members are organised into delegates' election assemblies. These assemblies elect the members of the local members' councils.

The local members' councils consist of 30 to 50 members and were established pursuant to the Articles of Association. Local members' councils report to and collaborate with the management team of the local bank on the quality of services and the contribution on social and sustainable development of the local environment. These councils have a number of formal tasks and responsibilities. One of the powers of the local members' council is appointment, suspension and dismissal of the local supervisory body, including its chairman.

The local supervisory body consists of three to seven members and is part of the Department. It is a corporate body established pursuant to the Articles of Association and performs various tasks and has various responsibilities, including a supervisory role on the level of the local bank. As part of that role, the Executive Board has granted the local supervisory body a number of powers in respect of material decisions of the management team chairman. The local supervisory body monitors the execution by the management team chairman of the local strategy. The local supervisory body also exercises the functional employer's role in relation to the management team chairman of the local bank. The local supervisory body is accountable to the local members' council.

Regional assemblies are not formal corporate bodies in the Rabobank governance. These assemblies are important for the preparation for the General Members' Council of Rabobank. The assemblies are consultative bodies where the chairmen of the supervisory bodies and the management chairmen of the local banks meet to discuss.

The members of the local supervisory body have to be members of Rabobank. Every chairman of a local supervisory body represents the members of its Department in the General Members' Council of Rabobank. This council is the highest decision making body in the Rabobank governance. Although the chairmen of the local supervisory bodies participate in the General Members' Council of Rabobank without instruction and consultation, they will also take the local points of view into account. The General Members' Council of Rabobank has a focus on strategy, identity, budget and financial results of Rabobank and has powers on these matters. On behalf of the members, the General Members' Council of Rabobank safeguards continuity as well as acts as the custodian of collective values. The General Members' Council of Rabobank has three permanent committees: the urgency affairs committee, the coordination committee and the committee on confidential matters.

The members of the Supervisory Board of Rabobank are appointed by the General Members' Council of Rabobank. Two thirds of the number of members of the Supervisory Board must be members of Rabobank. The Supervisory Board performs the supervisory role and is accountable to the General Members' Council of Rabobank. In this respect, the Supervisory Board monitors compliance with laws and regulations and *inter alia* achievement of Rabobanks' objectives and strategy. The Supervisory Board has the power to approve material decisions of the Managing Board. The Supervisory Board also has an advisory role in respect to the Managing Board. The Supervisory Board has several committees, *inter alia* a risk committee and an audit committee that perform preparatory and advisory work for the Supervisory Board. For further information regarding the Supervisory Board, see "*Governance of Rabobank Group*".

The local business is organised through about 100 local banks. These local banks are not separate legal entities but are part of the legal entity Rabobank. To preserve local orientation and local entrepreneurship as distinguishing features of Rabobank, the Executive Board of Rabobank has granted the management team

chairmen of the local banks a number of authorisations. Consequently, these chairmen are able to perform their tasks locally and to take responsibility for their designated local bank. The management team chairmen have additional responsibilities for the Department that is connected with the local bank.

The Managing Board of Rabobank is responsible for the management of Rabobank including the local banks and, indirectly, its affiliated entities. The Managing Board has the ultimate responsibility for defining and achieving the targets, strategic policy and associated risk profile, financial results and corporate social responsibility aspects. In addition, the Managing Board is in charge of Rabobank Groups' compliance with relevant laws and regulations. Rabobank, represented by the Managing Board, is the hierarchical employer of the management team chairmen of the local banks. The Managing Board members are appointed by the Supervisory Board and are accountable to the Supervisory Board and the General Members' Council of Rabobank. For further information regarding the Managing Board, see "*Governance of Rabobank Group*".

The directors' conference was established pursuant to the Articles of Association but is not a decision-making body. It is a preparatory, informative and advisory meeting for proposals and policies concerning the business of the local banks. The Managing Board, management team chairmen of the local banks and directors of local banks participate in this meeting.

Employee Influence within Rabobank Group

Rabobank Group attaches great value to consultations with the various employee representative bodies. Employee influence within Rabobank Group has been enabled at various levels. Issues concerning the Dutch business of Rabobank are handled by the works council (ondernemingsraad) of Rabobank (the "**Works Council**"). Local issues concerning the business of one, two or three local banks are handled by the local work(s) council(s). Issues concerning a subsidiary are handled by the works council of that subsidiary. Rabobank has also installed a European works council for issues concerning the businesses that operate in more than one EU member state.

Material Subsidiaries or other interests

Rabobank also conducts business through separate legal entities, not only in the Netherlands but also worldwide. At 31 December 2018 Rabobank was the (ultimate) shareholder of 424 subsidiaries and participations.

Rabobank has assumed liability for debts arising from legal transactions for 15 of its Dutch subsidiaries under Section 2:403 DCC.

SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the audited consolidated financial statements of Rabobank Group for the year ended December 31, 2018, which have been audited by PricewaterhouseCoopers Accountants N.V., the independent auditor in the Netherlands, with the exception of the ratio loan impairment charges (in basis points of average lending), the latter being derived from the annual report of Rabobank Group. The data should be read in conjunction with the consolidated financial statements (and related notes), incorporated by reference herein. The Rabobank Group audited consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the DCC.

Consolidated statement of financial position

(in millions of euros)	2018	2017
Assets		
Cash and cash equivalents	73,335	66,861
Loans and advances to credit institutions	17,859	27,254
Financial assets held for trading	2,876	1,760
Financial assets designated at fair value	157	1,194
Financial assets mandatorily at fair value	2,134	n/a
Derivatives	22,660	25,505
Loans and advances to customers	436,591	432,564
Financial assets at fair value through other comprehensive income	18,730	n/a
Available-for-sale financial assets	n/a	28,689
Investments in associates and joint ventures	2,374	2,521
Goodwill and other intangible assets	966	1,002
Property and equipment	4,455	4,587
Investment properties	193	193
Current tax assets	243	175
Deferred tax assets	1,165	1,733
Other assets	6,431	7,961
Non-current assets held for sale	268	992
Total assets	**590,437**	**602,991**

	At 31 December	
(in millions of euros)	2018	2017
Liabilities		

	At 31 December	
(in millions of euros)	2018	2017
Deposits from banks	19,397	18,922
Deposits from customers	342,410	340,682
Debt securities in issue	130,806	134,423
Financial liabilities held for trading	400	581
Financial liabilities designated at fair value	6,614	13,792
Derivatives	23,927	28,103
Other liabilities	6,342	8,271
Provisions	1,126	1,537
Current tax liabilities	229	248
Deferred tax liabilities	452	396
Subordinated liabilities	16,498	16,170
Liabilities held for sale	—	256
Total liabilities	**548,201**	**563,381**

	At 31 December	
(in millions of euros)	2018	2017
Equity		
Reserves and retained earnings	27,264	25,376
Equity instruments issued by Rabobank		
– Rabobank Certificates	7,445	7,440
– Capital Securities	6,493	5,759
	13,938	**13,199**
Equity instruments issued by subsidiaries		
– Capital Securities	164	166
– Trust Preferred Securities IV	389	394
	553	*560*
Other non-controlling interests	481	475
Total equity	**42,236**	**39,610**
Total equity and liabilities	**590,437**	**602,991**

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Change in accounting policies and presentation" for a comparison of the figures that were adjusted in the audited consolidated financial statements for the year ended 31 December 2018 compared to the audited consolidated financial statements for the year ended 31 December 2017.

Consolidated Statement of Income

(in millions of euros)	2018	2017
Net interest income	8,559	8,843
Net fee and commission income	1,931	1,915
Other results	1,530	1,243
Income	**12,020**	**12,001**
Staff costs	4,278	4,472
Other administrative expenses	2,780	3,176
Depreciation and amortisation	388	406
Operating expenses	**7,446**	**8,054**
Impairment losses on goodwill and investments in associates	0	0
Loan impairment charges	n/a	(190)
Impairment charges on financial assets	190	n/a
Regulatory levies	478	505
Operating profit before tax	**3,906**	**3,632**
Income tax	902	958
Net profit	**3,004**	**2,674**
Of which attributed to Rabobank	1,894	1,509
Of which attributed to holders of Rabobank Certificates.	484	484
Of which attributed to Capital Securities issued by Rabobank	530	586
Of which attributed to Capital Securities issued by subsidiaries	14	15
Of which attributed to Trust Preferred Securities IV	22	22
Of which attributed to non-controlling interests	60	58
Net profit for the year	**3,004**	**2,674**

Financial Ratios:

	2018	2017
Total capital ratio	26.6%	26.2%
Tier 1 ratio	19.5%	18.8%
CET1 Ratio	16.0%	15.8%
Fully Loaded Common Equity Tier 1 ratio*	16.0%	15.5%
Equity capital ratio	17.7%	17.3%
Leverage ratio*	6.4%	6.0%
Loan impairment charges (in basis points of average lending)*	5	(5)

RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Risk Management Committee Rabobank Group ("**RMC**") in cooperation with the Risk Management Department. The RMC is responsible for financial and non-financial risk management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Managing Board on all relevant issues regarding risk management.

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

Credit risk

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. At 31 December 2018, 47 per cent. of Rabobank Group's private sector lending consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 53 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Within the boundaries set by the RMC the Managing Board has delegated decision-making authority to transactional committees and to credit decision approval officers that operate on an entity level, regional level or central level at Rabobank. In addition, credit committees review all significant risks in credit proposals to arrive at a systematic judgment and a balanced decision. Rabobank has various levels of credit committees. Applications exceeding authority level of a credit committee are complemented with a recommendation and submitted to a 'higher' credit committee for decision-making. Within Rabobank the 'highest' transactional committees are the following:

- Central Credit Committee Rabobank Group (CCCRG) – The CCCRG takes credit decisions on credit applications subject to the 'corporate credit approval route' exceeding:
- the authority of Credit Approvals Local Banks (CA LB) – This department is responsible for decisions on requests for non-classified (LQC Good or OLEM) obligors exceeding the authority of Local Banks in The Netherlands.
- the authority of Credit Approvals Wholesale Rural & Retail (CA WRR) – This department is responsible for decisions on requests for non-classified (LQC Good or OLEM) obligors exceeding the authority of De Lage Landen (DLL) or a WRR office/region.
- the authority of the Credit Committee Financial Restructuring & Recovery (CC-FR&R) - This credit committee takes credit decisions on proposals for classified (LQC Substandard, Doubtful or Loss) obligors exceeding the authority of local credit committees and the FR&R department. Country & Financial Institutions Committee (CFIC) – The CFIC takes credit decisions on proposals exceeding the authority of Credit Financial Institutions or Country Risk Research. These departments are responsible for the risk management of exposure on financial institutions and sovereigns/countries.

- Loan Loss Provision Committee (LLPC) – The LLPC monitors the development of qualified credit and asset portfolios and recommends on impairment allowances for obligors exceeding the authority of local credit committees or the CC-FR&R, to the Managing Board.

The Terms of Reference (ToR) provide the mandate, responsibilities and scope, hierarchical relationships, membership, authority levels and modalities of these approval bodies. Credit committees take decisions on the basis of consensus, unless local regulation requires majority voting. Consensus is reached when there is a general agreement and none of the members has fundamental objections to the decision. When no consensus can be reached, an application is considered declined. In the case of majority voting, the representative(s) from the Risk department must have a veto right.

For efficiency reasons credit committees can delegate part of their authority. A single person may not take a credit decision solely based on its own opinion; this means that a 4-eyes principle applies or decisions are system supported, in which case one person is allowed to decide as long as the credit is assessed as acceptable by an expert system or meets predefined criteria (the credit complies with decision tools). Fully IT supported assessments and approvals are allowed under strict conditions.

The credit committees play a key role in ensuring consistency among Rabobank standards of credit analysis, compliance with the overall Rabobank credit policy and consistent use of the rating models. The credit policy sets the parameters and remit of each committee, including the maximum amount they are allowed to approve for limits or transactions. Policies are also in place which restrict or prohibit certain counterparty types or industries. As a rule, all counterparty limits and internal ratings are reviewed once a year (corporate clients) at a minimum. Where counterparties are assigned a low loan quality classification, they are reviewed on a more frequent basis. Credit committees may request for more frequent reviews as well.

With respect to the management of Rabobank Group's exposure to credit risk, Rabobank's Credit Department within overall Risk Management play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit. Credit monitors and reports about Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

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

Rabobank applies the IRB approach to the vast majority of its credit portfolio (including retail) to calculate its regulatory capital requirements according to CRR (CRD IV). The IRB approach is the most sophisticated and risk-sensitive of the CRR (CRD IV) approaches for credit risk, allowing Rabobank to make use of its internal rating methodologies and models. Rabobank combines CRR (CRD IV) compliance activities with a Pillar 2 framework. The approach represents key risk components for internal risk measurement and risk management processes. Key benefits are a more efficient credit approval process, improved internal monitoring and reporting of credit risk. Another important metric is the Risk Adjusted Return On Capital (RAROC) for a transaction as part of the credit application. This enables credit risk officers and committees to make better informed credit decisions. The IRB approach uses the Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Maturity (M) as input for the regulatory capital formula.

Rabobank Group believes it has a framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group's policy for accepting new clients is characterised by careful assessment of clients and their ability to make repayments on credit granted. Rabobank Group's objective is to enter into long-term relationships with clients which are beneficial for both the client and Rabobank Group.

EAD is the expected exposure to the client in the event of, and at the time of, a counterparty's default. At 31 December 2018, the EAD of the total IRB loan portfolio was €577 billion (2017: €555 billion). This EAD

includes the expected future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty's PD over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, the form of which varies from payment arrears of 90 days to bankruptcy. The weighted average PD of the performing IRB loan portfolio is 0.91 per cent. (2017: 0.88 per cent.).

The following table shows the non-performing loans of 31 December 2018, 2017 and 2016 per business unit as a percentage of gross carrying amount:

Non-performing loans/gross carrying amount per business unit

	At 31 December		
(in percentages)	2018	2017	2016
DRB	4.2	3.5	2.9
WRR	2.8	3.0	2.9
Leasing	1.5	1.6	1.8
Real Estate	12.7	61.0	27.2
Rabobank Group	3.5	3.5	3.4

Impairment charges

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

The following table sets forth Rabobank Group's impairment charges for the years ended 31 December 2018, 2017 and 2016 per business unit as a percentage of private sector lending:

Impairment charges/average private sector lending per business unit

	Year ended 31 December		
(in percentages)	2018	2017	2016
DRB	(0.05)	(0.09)	0.01
WRR	0.29	0.09	0.25
Leasing	0.34	0.36	0.32
Real estate	(2.87)	(5.21)	(1.41)
Rabobank Group	0.05	(0.05)	0.07

Country risk

Rabobank uses a country limit system to manage collective debtor risk and transfer risk. After careful review, relevant countries are given an internal country risk rating, after which, general limits and transfer limits are set. Transfer limits are introduced based on the net transfer risk, which is defined as total loans granted less loans granted in local currency, guarantees, other collateral obtained to cover transfer risk and a deduction related to the reduced weighting of specific products. The limits are allocated to the local business units, which are themselves responsible for the day-to-day monitoring of loans that have been granted and for reporting on this to the Risk Management function. At Rabobank Group level, the country risk outstanding is reported to the Country Limit Committee (CLC). Special Basel II parameters, specifically EATE (Exposure at Transfer Event), PTE (Probability of Transfer Event) and LGTE (Loss Given Transfer Event), are used to calculate the additional capital requirement for transfer risk. These calculations are made in accordance with internal guidelines and cover all countries where transfer risk is relevant.

At 31 December 2018, the ultimate collective debtor risk for non-OECD countries was €26.5 billion and the net ultimate transfer risk before provisions for non-OECD countries was €16.4 billion, which corresponds to 2.8 per cent. of total assets (2017: 2.3 per cent.). It should be noted that reduced weighting of specific products is no longer included in this transfer risk figure.

Risk in non-OECD countries

in millions of euros					31 December 2017	
Regions	Europe	Africa	Latin America	Asia/ Pacific	Total	As % of total assets
Ultimate country risk (exclusive of derivatives)	**413**	**614**	**12,286**	**13,184**	**26,497**	4.5%
- of which in local currency exposure	259	4	6,909	2,909	10,081	
Net ultimate country risk before allowance	153	610	5,377	10,276	16,416	2.8%
						As % of total allowance
Total allowance for ultimate country risk	2	0	261	262	526	13.6%

Given the political developments in the UK (Brexit) and Italy the exposures in these countries are monitored intensively. Since the failed coup attempt in July 2016 a more restrictive country risk policy towards Turkey was introduced and monitoring has been intensified. This policy is still applicable in view of the sharp slowdown in economic activity, after the Lira crisis in 2018. Despite the economic crisis in Argentina in 2018 our portfolio that is focused on existing export-oriented F&A clients was not affected.

Interest rate risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group uses three indicators for managing, controlling and limiting short- and long-term interest rate risk: Basis Point Value, Earnings at Risk

and Modified Duration. Based on the Basis Point Value, Earnings at Risk and Modified Duration analyses, the Managing Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to Rabobank Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of net interest income (interest income less interest expenses, before tax) for changes in interest rates. This "Earnings at Risk" figure represents the maximum decline in net interest income for the coming 12 months in a selection of interest rate scenarios, assuming no management intervention. The scenario with the largest negative effect on net interest income usually is the parallel down scenario in which the yield curve is gradually lowered during the first 12 months. The size of this downward shock is dependent on the level of the yield curve as strongly negative interest rates are not expected. At the end of 2018 the assumed downward shock of the EUR yield curve was 25 basis points. The simulation of the possible net interest income development is based on an internal interest rate risk model. This model includes certain assumptions regarding the interest rate sensitivity of products with interest rates that are not directly linked to a certain money or capital market rate, such as savings of private customers.

Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of "Modified Duration", which is the sensitivity of Rabobank Group's economic value of equity to an instant parallel change in interest rates of 100 basis points. The economic value of equity is defined as the present value of the assets less the present value of the liabilities plus the present value of the off-balance sheet items. In the Modified Duration calculation, client behaviour and the bank's pricing policy are supposed to show no changes, while all market interest rates are assumed to increase by 100 basis points at once. Just as in the Earnings at Risk calculation, the impact analysis of these scenarios is based on an internal interest rate risk model. In that model, balance sheet items without a contractual maturity, like demand savings deposits and current accounts, are included as a replicating portfolio. Modified duration is expressed as a percentage. This percentage represents the deviation from the economic value of equity at the reporting date.

At 31 December 2018, 31 December 2017 and 31 December 2016, the Earnings at Risk and Modified Duration for Rabobank Group were as follows:

	At 31 December		
(in millions of euros, except percentages)	2018	2017	2016
Earnings at Risk	109 (decline by 25 basis points)	148 (decline by 25 basis points)	82 (decline by 10 basis points)
Modified Duration	2.8%	2.0%	1.4%

The current low interest rate environment received significant attention since 2016. For a bank in general a low interest rate environment is challenging for profitability. Non-interest bearing liabilities and liabilities with very low interest rates, such as the equity and current account balances, are less profitable in the event of low interest rates. In 2018, the interest rate remained negative on the short end of the curve and decreased slightly with about 10 basis points on the medium and long end of the curve. As such, in historical perspective the curve remained fairly flat by comparison. A flat curve results in a bank making less profit on the transformation of short-term liabilities into longer term assets.

Liquidity risk

Liquidity risk is the risk that a bank will not be able to meet all its payment obligations on time, as well as the risk that the bank will not be able to fund increases in assets at a reasonable price.

Responsibility for the day-to-day management of the liquidity position, the raising of professional funding on the money and the capital markets, and the management of the structural position lies within the Treasury department. In keeping with the Basel principles, the policy is aimed at financing long-term loans by means of stable funding, specifically amounts due to customers and long-term funding from the professional markets. Rabobank Group's funding and liquidity risk policy also entails strictly limiting outgoing cash flows at the wholesale banking business, maintaining a large liquidity buffer and raising sufficient long-term funding in the international capital market. The retail banking division is assumed to be largely self-funded using money raised from customers. The division raised more than enough money to fund operations in 2018 given low lending demand, while retail savings increased.

Rabobank has developed several methods to measure and manage liquidity risk, including stress scenarios for calculating the survival period, i.e. the period that the liquidity buffer will hold up under severe market-specific or idiosyncratic stress. In the most severe stress scenario, it is assumed that Rabobank no longer has access to the capital markets, i.e. no long- or short-term debt can be issued or refinanced. During 2018, Rabobank more than satisfies the minimum survival period of three months in all the internally developed scenarios.

Market risk

Market Risk arises from the risk of losses on trading book positions affected by movements in interest rates, equities, credit spreads, currencies and commodities. The RMC Group is responsible for developing and supervising market risk policies and monitors Rabobank's worldwide market risk profile. On a daily basis, the Financial Markets Risk Department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the DNB. The internal "Value at Risk" model forms a key part of Rabobank's market risk framework. Value at Risk describes the maximum possible loss that Rabobank can suffer within a defined holding period, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements not captured by Value at Risk, stress tests are applied. These "event risk scenarios" measure the potential effect of sharp and sudden changes in market prices. Historical and hypothetical scenarios are complemented with specific sensitivity scenarios in order to measure effects of adverse market prices movements on trading book positions. In addition, interest rate delta is monitored and indicates how the value of trading positions change if the relevant yield curve shows a parallel increase of one basis point. Event Risk, Value at Risk and interest rate delta are subject to limits that are set by the Managing Board on an annual basis.

For the year 2018, the Value at Risk, based on a one-day holding period and 97.5 per cent. confidence level, fluctuated between €1.9 million (2017: €3.0 million) and €3.9 million (2017: €4.9 million), with an average of €2.6 million (2017: €3.8 million). Throughout 2018, the position was well within the internal VaR limit. Changes in VaR have been driven by client related deals and volatility in the financial markets. For the year 2018, the worst case, potential, loss from the event risk scenarios was €128 million (2017: €111 million). It fluctuated between €103 million (2017: €86 million) and €157 million (2017: €116 million), with an average of €129 million (2017: €101 million) which was well within the internal Event Risk limit.

A drawback of using historical simulations is that it does not necessarily take into account all possible future market movements. Therefore, Value at Risk results cannot guarantee that actual risk will follow the

statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported internally as well as to the regulator. In addition to Value at Risk, other risk indicators are also used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Financial Markets Risk Department, as well as the RMC Group, in evaluating Rabobank's trading book positions.

Operational risk

Operational risk is defined by Rabobank Group as "the risk of losses resulting from inadequate or failed internal processes, people or systems or by external events". Operational risk includes all non-financial risk types. Rabobank Group operates within the current regulatory framework with measuring and managing operational risk, including holding capital for this risk following the Advanced Measurement Approach. Events in modern international banking have shown that operational risks can lead to substantial losses. Examples of operational risk incidents are highly diverse: fraud or other illegal conduct, failure of an institution to have policies and procedures and controls in place to prevent, detect and report incidents of non-compliance with applicable laws or regulations, inadequate control processes to manage risks, ineffective implementation of internal controls, claims relating to inadequate products, inadequate documentation, errors in transaction processing, system failures and cyberattacks. The global environment Rabobank Group is operating in requires constant adaption to changing circumstances. Quite a number of transitional, remedial and regulatory driven change projects are currently running which may result in an increased risk profile. As a result this may lead to the possible increase of the number of operational risk incidents or additional costs of complying with new regulations which could have a material adverse effect on Rabobank Group's reputation or a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Legal risk

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal proceedings, whether private litigation or regulatory enforcement actions are brought against it. The outcome of such proceedings is inherently uncertain and could result in financial loss and reputational damage. Defending or responding to such proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful.

Currency risk

Currency risk or Foreign Exchange Rate Risk ("**FX Risk**") is the risk that exchange rate movements could lead to volatility in the bank's cash flow, assets and liabilities, net profit and/or equity. The bank distinguishes two types of non-trading FX Risks: (i) FX Risk in the banking books and (ii) FX translation risk (defined below).

FX risk in the banking books

FX risk in the banking books, is the risk where known and/or ascertainable currency cash flow commitments and receivables in the banking books are unhedged. As a result, it could have an adverse impact on the financial results and/or financial position of the Group, due to movements in exchange rates.

FX Translation risk

FX translation risk is the risk that FX fluctuations will adversely affect the translation of assets and liabilities of operations – denominated in foreign currency – into the functional currency of the parent company.

Translation risk reveals in Rabobank 's equity position, risk weighted assets and capital ratios.

Rabobank manages its FX translation risk with regard to the Rabobank Group CET1 ratio by deliberately taking FX positions, including deliberately maintaining FX positions and not or only partly closing FX positions. As a result of these structural FX positions, the impact of exchange rate fluctuations on the Rabobank Group CET1 ratio is mitigated.

FX translation risk at Rabobank Group is covered by Rabobank's Global Standard on FX Translation Risk ("**Standard**"). The purpose of the Standard is to outline the Rabobank Group policy towards FX Translation risk to achieve and ensure a prudent and sound monitoring and controlling system, in order to manage these risks Group wide. Rabobank uses a pillar 2 framework for those areas where Rabobank is of the opinion that the regulatory framework (i.e. pillar 1) does not address the risk, or does not adequately address the risk. FX translation risk is one of these risks..

GOVERNANCE OF RABOBANK GROUP

Members of Supervisory Board and Managing Board

Supervisory Board of Rabobank

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board:

Name	Born	Year Appointed	Term Expires	Nationality
Ron (R.) Teerlink, Chairman	1961	2013	2021	Dutch
Marjan (M.) Trompetter, Vice Chairman	1963	2015	2019	Dutch
Annet (A.P.) Aris	1958	2018	2022	Dutch
Leo (L.N.) Degle	1948	2012	2020	German
Petri (P.H.M.) Hofsté	1961	2016	2020	Dutch
Arian (A.A.J.M.) Kamp	1963	2014	2022	Dutch
Jan (J.) Nooitgedagt	1953	2016	2020	Dutch
Pascal (P.H.J.M.) Visée	1961	2016	2020	Dutch

Mr. R. Teerlink (Ron)

Date of birth	28 January 1961
Profession	Professional Supervisory Director/Management Consultant
Main position	Chairman of the Supervisory Board of Rabobank
Nationality	Dutch
Auxiliary positions	– Member of the Supervisory Board of Takeaway.com – Chairman of the Supervisory Board of Vrije Universiteit Amsterdam
Date of first appointment to the Supervisory Board	2013
Current term of appointment to the Supervisory Board	2017 - 2021

Mrs. M. Trompetter (Marjan)

Date of birth	1 November 1963
Profession	Professional Supervisory Director Management Consultant
Main position	Vice Chairman of the Supervisory Board of Rabobank
Nationality	Dutch
Auxiliary positions	Supervisory Directorships:

	– Vice Chairman of the Supervisory Board of Rijnstate Hospital, Arnhem – Member of the Supervisory Boards of Salvation Army o Welfare & Health Care Foundation and Salvation o Army Youth Care & Rehabilitation Foundation <u>Other auxiliary position</u>: – Owner Corona Consultancy
Date of first appointment to the Supervisory Board	2015
Current term of appointment to the Supervisory Board	2015 - 2019

Mrs. A.P. Aris (Annet)

Date of birth	27 October 1958
Profession	Professional Supervisory Director and Senior Affiliate Professor
Main position	None
Nationality	Dutch
Auxiliary positions	<u>Supervisory Directorships</u>: – Member of the Supervisory Board Rabobank – Member Supervisory Board Randstad N.V. – Member Supervisory Board ASML N.V. – Member Supervisory Board Jungheinrich AG – Member Supervisory Board a.s.r. Nederland N.V. (until May 2019) <u>Other auxiliary positions</u>: – Senior Affiliate Professor of Strategy INSEAD
Date of first appointment to the Supervisory Board	2018
Current term of appointment to the Supervisory Board	2018 - 2022

Mr. L.N. Degle (Leo)

Date of birth	15 August 1948
Profession	Professional Supervisory Director
Main position	None
Nationality	German
Auxiliary positions	<u>Supervisory Directorships</u>: – Member of the Supervisory Board of Rabobank

	– Member of the Supervisory Board of Sakroon B.V./Ten Kate B.V. Other auxiliary position: – Board Member of FINCA Microfinance – Board Member of Wasser für die Welt – Board Member of Foundation Social Investment Innovation
Date of first appointment to the Supervisory Board	2012
Current term of appointment to the Supervisory Board	2016 - 2020

Mrs. P.H.M. Hofsté (Petri)

Appointment is conditional upon approval by external supervisors

Date of birth	6 April 1961
Profession	Professional Supervisory Director
Main position	None
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board of Rabobank – Member of the Supervisory Board and Audit Committee of Fugro N.V. – Member of the Supervisory Board of Achmea B.V. and of several subsidiaries – Member of the Supervisory Board of Kasbank N.V. Other auxiliary positions: – Juror Kristal Price Dutch Ministry of Economical Affairs and Climate Policy – Member of the board of Nyenrode Foundation – Member of the board of 'Vereniging Hendrick de Keyser'
Date of first appointment to the Supervisory Board	2016
Current term of appointment to the Supervisory Board	2016 - 2020

Mr. A.A.J.M. Kamp (Arian)

Date of birth	12 June 1963
Profession	Entrepreneur Professional Supervisory Director

Main position	Cattle farmer
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board of Rabobank – Chairman of the Supervisory Board Koninklijke Coöperatie Agrifirm UA Other auxiliary positions: – Owner Partnership A.A.J.M. Kamp and W.D. Kamp-Davelaar
Date of first appointment to the Supervisory Board	2014
Current term of appointment to the Supervisory Board	2014 –2018

Mr. J. Nooitgedagt (Jan)

Date of birth	17 July 1953
Profession	Professional Supervisory Director
Main position	None
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board Rabobank – Chairman of the Supervisory Board Telegraaf Media Group – Vice chairman of the Supervisory Board BNG Bank – Chairman of the Supervisory Board of PostNL N.V. Other auxiliary positions: – Chairman of the Nyenrode Foundation – Member of the Board of the Fiep Westerdorp Foundation
Date of first appointment to the Supervisory Board	2016
Current term of appointment to the Supervisory Board	2016 - 2020

Mr. P.H.J.M. Visée (Pascal)

Date of birth	11 July 1961
Profession	Professional Supervisory Director and independent advisor
Main position	None
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board Rabobank – Member of the Supervisory Board of Mediq B.V.

	– Member of the Supervisory Board of PLUS Retail B.V. – Member of the Supervisory Board of Royal Flora Holland – Member of the Supervisory Council Board of Erasmus University – Chairman of the Supervisory Board of Foundation Stedelijk Museum Schiedam Other auxiliary positions: – Board Member of the Foundation of Prins Claus Fund
Date of first appointment to the Supervisory Board	2016
Current term of appointment to the Supervisory Board	2016 - 2020

Managing Board of Rabobank

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Managing Board of Rabobank:

Name	Born	Year Appointed	Nationality
Wiebe (W.) Draijer, Chairman*	1965	2014	Dutch
Bas (B.C.) Brouwers, member*	1972	2016	Dutch
Els (E.A.) de Groot, member*	1965	2019	Dutch
Berry (B.J.) Marttin, member*	1965	2009	Dutch and Brazilian
Jan (J.L.) van Nieuwenhuizen, member*	1961	2014	Dutch
Kirsten (C.M.) Konst, member*	1974	2017	Dutch
Mariëlle (M.P.J.) Lichtenberg, member	1967	2017	Dutch
Bart (B.) Leurs, member	1971	2017	Dutch
Ieko (I.A.) Sevinga, member	1966	2017	Dutch
Janine (B.J.) Vos, member	1972	2017	Dutch

*statutory member

Wiebe (W.) Draijer

Mr. Draijer was appointed as Chairman of the Managing/Executive Board of Rabobank as of 1 October 2014. Mr. Draijer served as President of the Social and Economic Council of the Netherlands from 2012 to 2014. Prior to that, he held several positions within management-consulting firm McKinsey & Company and worked as a researcher at Philips Research Laboratories and as a freelance journalist.

Auxiliary positions
- Member of the board of the Dutch Banking Association (*Nederlandse Vereniging van Banken)*
- Member of the supervisory board of the Kröller-Müller Museum
- Member of the supervisory board of Staatsbosbeheer (national nature conservation)

Bas (B.C.) Brouwers

Mr. Brouwers was appointed to the Managing/Executive Board as Chief Financial Officer as of 1 January 2016. Mr. Brouwers started his career at KPMG Audit in 1995. He then held various positions within ING from 1998 until 2007. He was head of Controlling & Risk Management of ING-DiBa AG (Germany) from 2007 until 2008 and CFO of ING-DiBa AG (Germany) from 2008 until 2013. From 2013 until 2015, Mr Brouwers was CFO of ING Netherlands.

Auxiliary positions – Member of the Board of the Dutch Banking Association

Els (E.A.) de Groot

Mrs. De Groot is a member of the Managing Board and Chief Risk Officer since 1 February 2019. Mrs. De Groot has over 20 years of experience in the financial sector. From 1987 until 2008, Mrs. De Groot held several positions at ABN AMRO Bank mainly in the field of risk management and (structured) finance. Her last role within ABN AMRO was Head of Policy & Portfolio Management and member of the Global Risk Management Team. After that period, she had various interim assignments before she joined Royal Schiphol Group as CFO and member of the Board of Management.

Auxiliary positions – Member of the Supervisory Board and chairman of the Audit Committee of Vitens

Berry (B.J.) Marttin

Mr. Marttin was appointed to the Managing/Executive Board as of 1 July 2009. Within the Managing Board, Mr. Marttin is responsible for international Rural & Retail, Sustainability, Leasing, B4F Inspiration Centre and the Rabobank Foundation. Mr. Marttin joined Rabobank in 1990. From 1990 until 2004 he fulfilled a number of international positions within Rabobank. After several positions in Brazil and Curacao he served as Head of International Corporates in Hong Kong, Head of Risk Management in Indonesia and as Deputy General Manager Rural Banking for Rabobank Australia and New Zealand. From 2004 until 2009 he was Chairman of the board of directors of Rabobank Amsterdam.

Auxiliary positions

- Chairman of the Supervisory Board of DLL International B.V
- Member of the Board of Directors of Rabobank International Holding B.V.
- Member of the Board of Rabobank Foundation
- Member of the Board of Rabobank Australia Ltd.
- Member of the Board of Rabobank New Zealand Ltd
- Chairman of the Shareholders Council of Rabo Partnerships
- Chairman of the Supervisory Board of Obvion N.V.
- Member of the North America Board of Directors and member of the North America Board Risk Committee (Utrecht-America-Holding Inc.)
- Member of the Supervisory Board of Arise
- First Vice President of the Board of Directors, American Chamber of Commerce
- Member of the Supervisory Board, Wageningen University
- Member of the Supervisory Board of IDH (Initiatief Duurzame Handel/Dutch Sustainable Trade Initiative)
- Member of the Board Trustees Hanns R. Neumann Stiftung
- Member of ISO (former Dutch Trade Board)

Jan (J.L.) van Nieuwenhuizen

Mr. Van Nieuwenhuizen was appointed to the Managing/Executive Board as of 24 March 2014. Within the Managing Board, Mr. Van Nieuwenhuizen is responsible for Rabobank's Dutch and international Wholesale Banking activities and Commercial Real Estate. From 1986 until 2009, Mr. Van Nieuwenhuizen fulfilled several international positions at JP Morgan, Morgan Stanley and NIBC. Since 2009, Mr. Van Nieuwenhuizen has been a member of the Management Team of Rabobank International, currently known as Wholesale, Rural & Retail.

Auxiliary positions
- Member Advisory Board Euronext
- Lid Dagelijks & Algemeen Bestuur VNO/NCW

Kirsten (C.M.) Konst

Mrs. Konst is a member of the Managing Board as of 1 September 2017. Her main areas of focus are Commercial Banking in the Netherlands and regional directors. After having had several positions at ABN Amro, Mrs. Konst joined Rabobank in 2010. She fulfilled several positions at local Rabobanks and was Operations Director before her appointment to the Managing Board.

Auxiliary positions
- Member Supervisory Board Public Broadcasting association KRO-NCRV, Hilversum
- Member Supervisory Board Members association KRO, Hilversum
- Administrator House owners association

Mariëlle (M.P.J.) Lichtenberg

Mrs. Lichtenberg is a member of the Managing Board as of 1 September 2017. Her main areas of focus are Retail & Private Banking in the Netherlands. She started at Rabobank International in 1995. Since then Mrs. Lichtenberg fulfilled several positions at the local Rabobank as well as staff department. From 2016 she was Director Digital Bank before she joined the Managing Board.

Auxiliary positions
- Member of the Supervisory Board of Obvion N.V

Bart (B.) Leurs

Mr. Leurs became a member of the Managing Board and Chief Digital Transformation Officer (CDTO) on 1 September 2017. He started his career in banking in 1997 at ING as a management trainee. After having fulfilled several positions at ING in Canada, Germany and Belgium, Mr. Leurs joined Rabobank in 2016 as Head of Fintech & Innovation.

Ieko (I.A.) Sevinga

Mr. Sevinga became a member of the Managing Board and Chief Information & Operations Officer (CIOO) on 1 September 2017. He started his career in 1986 at the Erasmus University in Rotterdam. After that Mr. Sevinga had various positions at McKinsey & Company and Kempen & Co./Van Lanschot Bankiers. He joined Rabobank in 2015 as Director Organisation Development & Performance before he was appointed to the Managing Board.

Auxiliary positions
- Non-Executive board member of De Persgroep
- Non-Executive board member of MerweOord, holding company of Van Oord

– Chairman of "Nederlands Olympiade Paard"

Janine (B.J.) Vos

Mrs. Vos became a member of the Managing Board and Chief Human Resources Officer (CHRO) on 1 September 2017. She started her career in 1997 at KPN as a management trainee. After having fulfilled several (HR) positions, she switched as Chief Human Resources Officer from KPN to Rabobank in 2016.

Auxiliary positions

– Member of the Supervisory Board of the Netherlands General Employers' Association (AWVN)
– Member of the General Board of VNO-NCW on behalf of AWVN
– President of the "Sociale Kring"

Administrative, management and supervisory bodies — conflicts of interests

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

Administrative, management and supervisory bodies — business address

The business address of the members of Rabobank's Supervisory Board and Managing Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF RABOBANK GROUP

Rabobank is a bank organised under Dutch law. The principal Dutch law on supervision applicable to Rabobank is the FMSA which entered into force on 1 January 2007 and under which Rabobank is supervised by the DNB and the AFM. Further, as of 4 November 2014, the ECB assumed certain supervisory tasks from the DNB and is now the competent authority responsible for supervising Rabobank Group's compliance with prudential requirements. Rabobank and the various Rabobank Group entities are also subject to certain EU legislation, which has a significant impact on the regulation of Rabobank Group's banking, asset management and broker-dealer businesses in the EU, and to the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

The overview below consists of a summary of the key applicable regulations and does not purport to be complete.

Basel Standards

The Basel Committee develops international capital adequacy guidelines based on the relationship between a bank's capital and its risks, including, *inter alia,* credit, market, operational, liquidity and counterparty risks.

Credit Risk

To assess their credit risk, banks can choose between the "Standardised Approach", the "Foundation Internal Ratings Based Approach" and the "Advanced Internal Ratings Based Approach". The Standardised Approach is based on standardised risk weights set out in the Basel II capital guidelines and external credit ratings; it is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the "Probability of Default". In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the "Exposure at Default" and the "Loss Given Default". Rabobank is IRB compliant for 96 per cent. of its credit portfolio exposures (this includes a limited exposure on IRB foundation). The rules on the assessment of credit risk are expected to change as a consequence of the Basel III Reforms. See "*Basel III Reforms*" and "*Recent Developments*" below.

See the risk factor entitled "*Minimum regulatory capital and liquidity requirements*" above.

Market Risk

To assess their market risk, banks can choose between a "Standardised approach" or an alternative methodology based on own internal risk management models. Rabobank has permission from its supervisor to calculate the general and specific exposures using its internal Value-at-Risk (VaR) models.

Operational Risk

To assess their operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined of which is the Advanced Measurement Approach. Rabobank Group has chosen the Advanced Measurement Approach.

Basel III Reforms

The Basel III framework, which is implemented in the EU by means of the CRD and CRR (see "*European Union Standards – The CRD and CRR*" below) sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two

liquidity standards. Basel III includes increasing the minimum Common Equity Tier 1 Capital (or equivalent) requirement from 2 per cent. of the total risk exposure amount (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments (which, under CRD IV, are gradually phased in from 1 January 2014 until 1 January 2018)). The total Common Equity Tier 1 Capital requirement has increased from 4 per cent. of the total risk exposure amount to 6 per cent. under CRD IV and the total Common Equity Tier 1 Capital requirement is 8 per cent of the total risk exposure amount under CRD IV. In addition, banks will be required to maintain, in the form of Common Equity Tier 1 Capital (or equivalent), a capital conservation buffer of 2.5 per cent. of the total risk exposure amount to withstand future periods of stress, bringing the total Common Equity Tier 1 Capital (or equivalent) requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical capital buffer (generally of up to 2.5 per cent. of the total risk exposure amount and also comprised of Common Equity Tier 1 Capital (or other fully loss absorbing capital)) may be applied as an extension of the capital conservation buffer. Furthermore, banks considered to have systemic importance should have loss absorbing capacity beyond these standards.

Capital requirements have been further supplemented by the introduction of a non-risk based leverage ratio of 3 per cent., plus a surcharge of 50 per cent. of the G-SIB buffer requirement for G-SIB's (under the Basel III Reforms, see below) in order to limit an excessive build-up of leverage on a bank's balance sheet. During the period from 1 January 2013 to 1 January 2017, the Basel Committee has monitored banks' leverage data on a semi-annual basis in order to assess whether the proposed design and calibration of a minimum leverage ratio of 3 per cent. is appropriate over a full credit cycle and for different types of business models. This assessment included consideration of whether a wider definition of exposures and an off-setting adjustment in the calibration would better achieve the objectives of the leverage ratio. The Basel Committee also closely monitored accounting standards and practices to address any differences in national accounting frameworks that are material to the definition and calculation of the leverage ratio. The Dutch government has indicated that Dutch systemically important banks, including Rabobank, should also have a surcharge like the G-SIB's on top of the 3 per cent. leverage ratio requirement. As at 31 December 2018, the leverage ratio of Rabobank was 6.4 per cent.

In addition, Basel III has introduced two international minimum standards intended to promote resilience to potential liquidity disruptions over a 30 day horizon and limit over-reliance on short-term wholesale funding during times of buoyant market liquidity. The first one is referred to as the liquidity coverage ratio (the "**LCR**") which is being gradually phased in from 1 January 2015. The LCR tests the short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is referred to as a net stable funding ratio (the "**NSFR**"). The NSFR tests resilience over a longer period by requiring banks to hold a minimum amount of stable sources of funding relative to the liquidity profiles of the assets and the potential contingent liquidity needs arising from off-balance sheet commitments.

Recent Developments

In December 2017, the Basel Committee finalised the Basel III Reforms (also referred to as "Basel IV" by the industry). This reform complements the initial phase of Basel III announced in 2010 (and implemented in the CRR/CRD IV in 2014) as a response to the global financial crisis. The 2017 reform seeks to restore credibility in the calculation of risk-weighted assets (RWAs) and improve the comparability of banks' capital ratios. Main features of the reform:

- Revisions to the standardised approaches for calculating credit risk, market risk, credit value adjustments (CVA) and operational risk

- Constraints on the use of internal model approaches, by placing limits on certain inputs used to calculate capital requirements under the IRB approach for credit risk and by removing the use of internal model approaches for CVA risk and for operational risk
- The introduction of an output floor, which limits the benefits banks can derive from using internal models to calculate minimum capital requirements. Banks' calculations of RWAs generated by internal models cannot, in aggregate, fall below 72.5 per cent. of the risk-weighted assets computed by standardised approaches
- G-SIBs are subject to higher leverage ratio requirements.

The Basel Committee expects these changes to be implemented by regulators from January 2022, with transitional arrangements for the output floor up to January 2027.

European Union Legislation

The CRD and CRR

As of 1 January 2014, EC Directive 2006/48 and EC Directive 2006/49 were repealed by the CRD. The CRD, together with the CRR, implements Basel III in the EEA. Both texts were published in the Official Journal of the European Union on 27 June 2013 and became effective on 1 January 2014 (except for capital buffer provisions which became effective on 1 January 2016). The CRD was implemented into Dutch law by amendments to the FMSA pursuant to an amendment act (the "**CRD IV/CRR Implementation Act**") which entered into force on 1 August 2014. The CRR has established a single set of harmonised prudential rules which apply directly to all banks in the EEA as of 1 January 2014, but with particular requirements being phased in over a period of time, to be fully applicable by various dates up to 2022. The harmonised prudential rules include own funds requirements, an obligation to maintain a liquidity coverage buffer, a requirement to ensure that long-term obligations are adequately met under both normal and stressed conditions and the requirement to report on these obligations. The competent supervisory authorities will evaluate whether capital instruments meet the criteria set out in the CRR. The CRR also includes the obligation to report on a bank's leverage ratio. This requirement is similar to the leverage ratio requirement introduced by Basel III, however, the CRR does not yet include a requirement to meet a minimum ratio. However, the EC Banking Package of 23 November 2016 published by the European Commission, (as discussed and defined in the risk factor entitled "*Minimum regulatory capital and liquidity requirements*") introduces such a leverage ratio.

On 17 January 2014, a regulation on specific provisions set out in the CRD and the CRR (*Regeling specifieke bepalingen CRD IV en CRR*) ("**Dutch CRD IV and CRR Regulation**"), as published by the DNB, entered into force. The Dutch CRD IV and CRR Regulation contains specific provisions relating to the CRD and the CRR, such as the required CET1 Ratio of 4.5 per cent., tier 1 ratio of 6 per cent., total capital ratio of 8 per cent. and the capital conservation measures set out in CRD IV (restriction on distributions if a bank does not meet the combined buffer requirement). On 29 April 2014, the DNB announced that, pursuant to the CRD IV/CRR Implementation Act, it intends to impose an additional capital buffer requirement for Rabobank. The systematic risk buffer, as set by DNB, is equal to 3 per cent. of risk-weighted assets and has been phased in between 2016 and 2019.

The EC Banking Package comprises certain legislative proposals for amendments to the CRR, the CRD, the BRRD, the SRM Regulation and a proposed new directive to facilitate the creation of a new asset class of "non-preferred" senior debt. The EC Banking Package covers multiple areas, including the Pillar 2 framework, the introduction of a binding leverage ratio, the introduction of a binding NSFR, permission for reducing own funds and eligible liabilities, macro-prudential tools, creditor/depositor hierarchy, a potential change to the definition of "eligible liabilities", a new category of "non-preferred" senior debt, the MREL framework and the integration of the TLAC standard into EU legislation.

In particular, amendments to the CRD (known collectively as "**CRD V**") included in the EC Banking Package will bring a new approach for the measurement of counterparty credit risk, the implementation of the Net Stable Funding Ratio, a changed framework for interest rate risk and changes to the treatment of trading book exposures, in addition to other amendments relating to capital, liquidity, leverage and remuneration. Most of the provisions of CRD V are required to be transposed into national law by 28 December 2020, with application immediately thereafter. The amendments to CRR will, however, apply from 28 June 2021 (subject to certain earlier applications and exemptions, such as those relating to the transitional arrangements for IFRS 9 and the characteristics of new regulatory capital instruments which are already in effect).

Pursuant to the 2018 SREP (Supervisory Review and Evaluation Process), the ECB has determined that the CET1 Ratio of Rabobank Group should be maintained at a minimum level of 8.75 per cent. This 8.75 per cent. Common Equity Tier 1 Capital requirement for Rabobank Group comprises the minimum Pillar 1 requirement (4.5 per cent.), the Pillar 2 additional own funds requirement (1.75 per cent.) and the capital conservation buffer (2.5 per cent.). In addition, Rabobank Group is subject to a systemic risk buffer that needs to be applied on top of these Common Equity Tier 1 Capital requirements and will result in a 3.0 per cent. surcharge for 2019 (bringing the minimum Common Equity Tier 1 Capital requirement at 1 January 2019 to 11.75 per cent.). At the date of this Offering Circular, Rabobank Group currently complies with these requirements.

Bank Recovery and Resolution Directive

The BRRD entered into force in July 2014. The bail-in tool with respect to eligible liabilities and the other measures set out in the BRRD (outlined below) were implemented into Dutch law on 26 November 2015. The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The BRRD provides competent authorities with early intervention powers and resolution authorities with pre-resolution powers, including the power to write down or convert capital instruments to ensure relevant capital instruments fully absorb losses at the point of non-viability of the issuing institution or group and the power to convert existing instruments of ownership or transfer them to bailed-in creditors. Moreover, when the conditions for resolution are met, resolution authorities can apply, among others, a bail-in tool, which comprises a more general power for resolution authorities to write down the claims of unsecured creditors (including holders of the Capital Securities) of a failing institution or to convert unsecured debt claims to equity or other instruments of ownership.

In addition, the BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks which satisfy the conditions for resolution, which may include (without limitation) the sale of the bank's business, the creation of a bridge bank, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity or the amount of interest payable or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments. See further the risk factor entitled "*Minimum requirement for own funds and eligible liabilities under the BRRD*".

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that, with effect from 1 January 2016 all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. On 23 May 2016, the European Commission adopted MREL RTS on the criteria for determining the MREL under the BRRD. The MREL RTS were published in the EU Official Journal on 3 September 2016. The MREL RTS provide for resolution authorities to allow institutions an appropriate transitional period to reach the applicable MREL requirements.

Rabobank has received notification of the SRB's final decision concerning the MREL requirement for 2019. The decision requires that Rabobank Group has to maintain a layer of own funds and MREL eligible instruments of 9.64% of total liabilities and own funds, which resulted from the calibration of the various components of the MREL requirement as described below at 28.58% of Risk Weighted Assets ("**RWAs**") in total, based on the balance sheet of Rabobank Group's audited consolidated financial statements for the year ending 31 December 2017. The calibration of the MREL requirement is based on the following components: a loss absorption amount of EUR 30,256 million (15.26% RWA), a recapitalisation amount of EUR 18,360 million (9.26% RWA) and a market confidence charge of EUR 8,053 million (4.06% RWA). Based on the final SRB policy on MREL for 2019, Rabobank already meets the MREL requirements and no transition period is set. Moreover, the MREL framework may be subject to substantial change over the coming years. For instance, in the EC Banking Package to amend the SRM Regulation, BRRD, CRR, CRD, the European Commission has proposed that any systemically important banks in a member state, such as Rabobank, be subject to a firm-specific MREL regime under which they would be required to issue a sufficient amount of own funds and eligible liabilities to absorb expected losses in resolution and to recapitalise the institution or the surviving part thereof.

As a result, it is not possible to give any assurances as to the ultimate scope and nature of any resulting obligations, or the impact that they will have on Rabobank Group once implemented. If Rabobank Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations.

To complement the European Banking Union (an EU-level banking supervision and resolution system) and the Single Supervisory Mechanism (SSM) (as defined below), on 15 July 2014 the European Commission adopted the SRM Regulation to establish the Single Resolution Mechanism (SRM) (as further described, in the risk factor entitled "*Bank recovery and resolution regimes*"). The SRM establishes the SRB that will manage the failing of any bank in the Euro area and in other EU member states participating in the European Banking Union. On the basis of the SRM, the SRB is granted the same resolution tools as those set out in the BRRD, including a bail-in tool. The SRM applies directly to banks covered by the SSM, including Rabobank (see also "*Bank Recovery and Resolution Directive*" above). On the basis of the SRM, the ECB is responsible for recovery planning as set out in the BRRD.

See also the risk factors entitled "*Minimum requirement for own funds and eligible liabilities under the BRRD*", "*Risks relating to the FSB's proposals regarding TLAC*", "*Minimum regulatory capital and liquidity requirements*" and "*Bank recovery and resolution regimes*".

Supervision

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture combines the existing national authorities, the newly created European Systemic Risk Board and the following three European Authorities: the EBA, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authorities. These institutions have been in place since 1 January 2011.

However, as part of the European Banking Union (responsible for banking policy on the EU level), two further regulations have been enacted: (i) a regulation for the establishment of a single supervisory mechanism (the "**SSM**") on the basis of which specific tasks relating to the prudential supervision of the most significant banks in the Euro area are conferred to the ECB; and (ii) a regulation amending the regulation which sets up the EBA. Regulation 1024/2013 (the "**SSM Framework Regulation**"), which establishes the SSM, was published in the Official Journal of the European Union on 29 October 2013 and entered into force on 4 November 2013. The SSM provides that the ECB carries out its tasks within a single supervisory mechanism comprised of the ECB and national competent authorities. The ECB and relevant competent authorities have formed joint supervisory teams ("**JST**") for the supervision of each significant bank or significant banking

group within the Euro area. As Rabobank Group qualifies as a significant group under the SSM and the SSM Framework Regulation, with effect from 4 November 2014, the day-to-day supervision of Rabobank Group is now carried out by a JST. The ECB and national competent authorities are subject to a duty of cooperation in good faith, and an obligation to exchange information. Where appropriate, and without prejudice to the responsibility and accountability of the ECB for the tasks conferred on it by the SSM, national competent authorities shall be responsible for assisting the ECB. In view of the assumption of these supervisory tasks, in 2014 the ECB (together with the national competent authorities) carried out a comprehensive assessment, including a balance sheet assessment, as well as a related asset quality review and stress tests, of the banks in respect of which it took on responsibility for formal supervision. The ECB supervises Rabobank Group's compliance with prudential requirements, including (i) its own funds requirements, LCR, NSFR and the leverage ratio and the reporting and public disclosure of information on these matters, as set out in the CRR and (ii) the requirement to have in place robust governance arrangements, including fit and proper requirements for the persons responsible for the management of a bank, remuneration policies and practices and effective internal capital adequacy assessment processes, as set out in the FMSA. The ECB is also the competent authority which assesses notifications of the acquisition of qualifying holdings in banks and has the power to grant a declaration of no objection for such holdings.

Dutch Regulation

Scope of the FMSA

The ECB is formally the competent authority that supervises the majority of Rabobank Group's activities. The day-to-day supervision of Rabobank Group is carried out by the JST. The AFM supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the FMSA.

Licensing

Under the FMSA, a bank established in the Netherlands is required to obtain a licence before engaging in any banking activities. Now that the ECB has assumed its supervisory tasks under the SSM, the ECB is the formal supervisory authority to grant and revoke a banking licence for banks in the Euro area including the Netherlands. The DNB shall prepare a draft decision if in its view a licence should be granted and the ECB will take the formal decision. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a supervisory board; and (iii) the bank must adhere to requirements that determine the minimum level of own funds (*eigen vermogen*). In addition, a licence may be refused if, among other things, the competent authority is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank (fit and proper requirement), (ii) the policy of the bank is not (co-)determined by persons whose integrity is beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (*gezonde en prudente bedrijfsvoering*). The DNB is still competent to make the decision to refuse to grant a licence on its own. In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining its licence.

Reporting and investigation

A significant bank or significant banking group is required to file its annual financial statements with the ECB in a form approved by the ECB, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the ECB. The ECB has the option to demand additional reports.

Rabobank must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the ECB. Rabobank's independent auditor audits these reports annually.

Solvency

The CRR regulations on solvency supervision entail - in broad terms - minimum standards on bank capital adequacy and capital buffers. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Over time, the regulations have become more sophisticated, being derived from the capital measurement guidelines of first Basel II and then Basel III as described under "Basel Standards" above and as laid down in EU legislation described above under "*European Union legislation*". The regulations of the DNB on solvency supervision have been repealed by the Dutch CRD IV and CRR Regulation.

Liquidity

The regulations relating to liquidity supervision require that banks maintain sufficient liquid assets to cover for net outflows. In the determination of net outflows banks are required to follow a prudential approach, taking into account that the call or prepayment occurs at the first possible date. On 1 January 2018, the 100 per cent. LCR requirement under CRR was fully phased in, meaning that Rabobank was required to hold at least enough high quality liquid assets to cover stressed 30 day net outflow. With 130 per cent. as per 31 December 2018, Rabobank complies with the minimum 100 per cent. requirement.

Structure

The FMSA provides that a bank must obtain a declaration of no-objection before, among other things, (i) acquiring or increasing a qualifying holding in a bank, investment firm or insurer with its statutory seat in a state which is not part of the EEA, if the balance sheet total of that bank, investment firm or insurer at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (ii) acquiring or increasing a qualifying holding in an enterprise, not being a bank, investment firm or insurer with its statutory seat in the Netherlands or in a state which is part of the EEA or in a state which is not part of the EEA, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iii) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (iv) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total or (v) proceeding with a financial or corporate reorganisation. Decisions on the abovementioned declarations of no-objection are made by the DNB. As of 1 January 2014, the definition of "qualifying holding" as set out in the CRR applies. "Qualifying holding" in the CRR is defined to mean a direct or indirect holding in an undertaking which represents 10 per cent. or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

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

Governance and administrative organisation

The ECB supervises the governance of significant banks and significant banking groups within the Netherlands. This includes the administrative organisation of banks, their financial accounting system and internal control. 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 assets and liabilities. Furthermore, the electronic data processing systems, which

form the core of the accounting system, must be secured in such a way as to ensure a high degree of security, operational reliability, continuity and adequate, scalable capacity.

Intervention

In addition to the Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*), and partly amending it, on 26 November 2015 the Act on implementing the European framework for the recovery and resolution of banks and investment firms (*Implementatiewet Europees kader voor herstel en afwikkeling van banken en beleggingsondernemingen*) came into force, implementing the BRRD. While the Intervention Act was amended following the adoption and implementation of the BRRD and the SRM Regulation, granting to the DNB powers including resolution tools contemplated by the BRRD, the powers of the Minister of Finance have remained. Under the Intervention Act the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets, liabilities, or securities issued by or with the consent of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister of Finance's opinion, the stability of the financial system is in serious and immediate danger as a result of the situation in which the entity finds itself. In taking these measures, provisions in relevant Dutch legislation and the entity's articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with the DNB in advance and the Dutch Prime Minister must agree with the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset will be compensated for any damage that directly and necessarily results from the expropriation. It is unlikely that such compensation will cover all losses of the relevant beneficiary.

The SRB has additional intervention powers including the power to operate the bail-in tool as set out in the SRM and the BRRD (see "*Bank Recovery and Resolution Directive*").

U.S. Regulation

Regulation and Supervision in the U.S.

Rabobank Group's operations are subject to federal and state banking and securities regulation and supervision, as well as federal derivatives regulation in the U.S. Rabobank Group engages in U.S. banking activities through Rabobank, New York Branch (the "**New York Branch**"). It controls a U.S. banking subsidiary, Rabobank, N.A., and a U.S. broker-dealer, Rabo Securities USA, Inc., as well as other U.S. non-bank subsidiaries.

Rabobank and Utrecht-America Holdings, Inc. are bank holding companies that are financial holding companies within the meaning of the U.S. Bank Holding Company Act of 1956, as amended. As such, they are subject to the regulation and supervision of the Federal Reserve. The New York Branch is licensed and supervised by the New York State Department of Financial Services, and it is also supervised by the Federal Reserve. Rabobank, N.A. is a national bank subject to regulation, supervision and examination by the OCC.

Under U.S. law, Rabobank Group's activities and those of its subsidiaries in the U.S. are generally limited to the business of banking, and managing or controlling banks and certain other activities that are closely related to banking. As long as Rabobank and Utrecht-America Holdings, Inc. are financial holding companies under U.S. law, Rabobank Group may also engage in non-banking activities in the U.S. that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases.

As a non-U.S. bank, Rabobank is generally authorised under U.S. law and regulations to acquire a non-U.S. company engaged in non-financial activities as long as the company's U.S. operations do not exceed certain thresholds and certain other conditions are met. Rabobank is required to obtain the prior approval of the Federal Reserve before directly or indirectly acquiring the ownership or control of more than 5 per cent. of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies.

State-licensed branches and agencies of non-U.S. banks (such as the New York Branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. Likewise, the U.S. federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire non-U.S. bank.

The Federal Reserve may terminate the activities of any U.S. office of a non-U.S. bank if, among other things, it determines that the non-U.S. bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such non-U.S. bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the U.S. or, for a non-U.S. bank that presents a risk to the stability of the U.S. financial system, the home country of the non-U.S. bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. In addition, the Superintendent of Financial Services of the State of New York (the "**Superintendent**") may revoke any licence for a branch of a non-U.S. bank issued under New York Banking Law if, among other things, the Superintendent finds that the licensed bank has violated any provision of any law, rule or regulation of the State of New York.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

The New York Branch is licensed by the Superintendent to conduct a commercial banking business. Under New York Banking Law, the New York Branch is subject to the asset pledge requirements and is required to maintain eligible high-quality assets with banks in the State of New York. The Superintendent may also establish asset maintenance requirements for branches of non-U.S. banks. Currently, no such requirement has been imposed upon the New York Branch.

New York Banking Law authorises the Superintendent to take possession of the business and property of a New York branch of a non-U.S. bank under certain circumstances, including violations of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the non-U.S. bank at its domicile or elsewhere. In liquidating or dealing with a branch's business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent for payment out of the business and property of the non-U.S. bank in the State of New York (which includes but is not limited to assets, or other property of the New York branch, wherever situated and any assets of the non-U.S. bank located in the State of New York, regardless of whether such assets are assets of the New York branch), without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the non-U.S. bank. After such claims are paid, the Superintendent will turn over the remaining assets, if any, to the non-U.S. bank or its duly appointed liquidator or receiver.

The Dodd-Frank Act

The Dodd-Frank Act provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. The Dodd-Frank Act and other post-financial crisis regulatory reforms in the United States have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement.

Among other things, the Dodd-Frank Act requires that the lending and affiliate transaction limits applicable to Rabobank, N.A. and the New York Branch take into account credit exposures arising from derivative transactions, securities borrowing and lending transactions, and repurchase and reverse repurchase agreements with counterparties.

Additionally, the Dodd-Frank Act provides U.S. regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk, which include any non-U.S. banking organisation, such as Rabobank Group, with a branch or agency in the U.S. or a U.S. bank subsidiary and U.S.$50 billion or more in total consolidated assets. On 18 February 2014, the Federal Reserve issued a final rule implementing these heightened standards. Under the final rule, the New York Branch will be subject to liquidity, risk management requirements, and in certain circumstances, asset maintenance requirements. The Federal Reserve issued a notice of proposed rulemaking on 8 April 2019 that would revise the framework for applying the enhanced prudential standards applicable to FBOs under Section 165 of the Dodd-Frank Act, as amended by the EGRRCPA, by, among other things, amending standards relating to liquidity, risk management, stress testing, and single-counterparty credit limits. In addition, a separate rulemaking was also issued on 8 April 2019 by the Federal Reserve, the FDIC and the OCC to, among other things, modify the application of capital and liquidity requirements to the U.S. operations of a FBO.

The Volcker Rule, adopted as part of the Dodd-Frank Act, limits the ability of banking entities and their affiliates to engage as principal in proprietary trading or to sponsor or invest in hedge, private equity or other similar funds or enter into certain covered transactions with certain covered funds, subject to certain exceptions and exemptions. However, certain non-U.S. banking organisations, such as certain non-U.S. banking entities within Rabobank Group, are exempt from these limitations with respect to activities that are solely outside of the U.S., subject to certain conditions.

On 10 December 2013, five U.S. federal financial regulatory agencies released the final version of the regulations implementing the Volcker Rule. The conformance period for the Volcker Rule has ended and Rabobank Group has brought its activities and investments into compliance with the Volcker Rule and established a dedicated compliance program. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations.

Proposals for legislation for further changes to the regulation of the financial services industry are continually being introduced in the U.S. Congress and in state legislatures, and President Donald Trump has signed orders and announced plans to reform regulations created pursuant to the Dodd-Frank Act. For example, on 24 May 2018, President Trump signed into law a financial services regulatory reform bill that received bipartisan support, the EGRRCPA. The EGRRCPA makes certain modifications to post-financial crisis regulatory requirements that apply to banking organisations of all sizes, including, but not limited to, raising the statutory asset threshold that requires the Federal Reserve to apply to the "enhanced prudential standards" set forth in Section 165 of the Dodd-Frank Act. In addition, the EGRRCPA amended the Volcker Rule, in part, by narrowing the definition of "banking entity", principally by excluding insured depository institutions with less than U.S.$10 billion in total consolidated assets and that have total trading assets and trading liabilities that are less than 5 per cent. of total consolidated assets. The relevant U.S. federal agencies released a notice of proposed rulemaking on 8 February 2019 to, among other things, address this statutory amendment. The comment period for the proposal ended on 11 March 2019, and while such separate rulemaking to implement

the amendment to the "banking entity" definition is pending, the relevant U.S. federal agencies have stated that they will not enforce the Volcker Rule in a manner inconsistent with the amendments under the EGRRCPA with respect to institutions excluded by such statute.

In addition, Title VII of the Dodd-Frank Act, and the regulations adopted thereunder implementing the statutory requirements of Title VII, provide an extensive framework for the regulation of the derivatives market. While U.S. regulators have adopted many of the regulations governing the derivatives markets as contemplated by the Dodd-Frank Act, the implementation process is still ongoing and regulators continue to review and refine their initial rulemakings through additional interpretations and supplemental rulemakings. Under the Dodd-Frank Act, entities that qualify as swap dealers or major swap participants are required to register with the CFTC, while entities that qualify as security-based swap dealers and/or majority security-based swap participants will be required to register with the SEC. Rabobank is registered with the CFTC as a swap dealer. As a swap dealer, Rabobank is subject to additional regulatory requirements with respect to capital, margin requirements for OTC derivative transactions, business conduct standards and other requirements. As a swap dealer, Rabobank's compliance with such regulatory requirements under Title VII of the Dodd-Frank Act may be costly and have an adverse impact on Rabobank Group. Additionally, under the so-called swap "push-out" provisions of the Dodd-Frank Act, certain ABS swaps activities of uninsured U.S. branches of non-U.S. banks, such as the New York Branch, are restricted as a result of Rabobank's registration as a swap dealer. The Dodd-Frank Act also requires all swap market participants (notwithstanding any registration requirement) to (i) maintain records and report certain information to swap data repositories in real-time and on an ongoing basis and (ii) clear certain categories of derivatives through a derivatives clearing organisation and execute such derivatives on a registered exchange (e.g., a designated contract market or swap execution facility).

In October, 2015, the Federal Reserve, the OCC, the Farm Credit Administration and the Federal Housing Finance Agency issued a final rule to establish minimum initial and variation margin collection requirements for non-cleared swaps and non-cleared security-based swaps entered into by certain registered swap dealers, major swap participants, security-based swap dealers and/or major security-based swap participants ("**Registered Entities**") when facing other Registered Entities or financial end-user counterparties (the "**PR Margin Rules**"). The CFTC has also implemented its own initial and variation margin requirements in respect of non-cleared swaps entered into by swap dealers and major swap participants not captured by the PR Margin Rules (the "**CFTC Margin Rules**" and, together with the PR Margin Rules, the "**Uncleared Swap Margin Rules**"). Because Rabobank is regulated by the Federal Reserve and is a registered swap dealer (as noted above), it is subject to the Uncleared Swap Margin Rules with respect to its uncleared OTC derivative transactions when facing other Registered Entities and financial end-user counterparties.

Phased-in compliance with the Uncleared Swap Margin Rules began on 1 September 2016 and the fourth phase of compliance with the initial margin requirements under the Uncleared Swap Margin Rules will begin on 1 September 2019 for counterparties with an average aggregate daily notional amount of uncleared derivatives transactions in excess of US$750 billion. The fifth and final phase of compliance with the initial margin requirements under the Uncleared Swap Margin Rules will begin on 1 September 2020 for counterparties with an average aggregate daily notional amount in excess of US$8 billion. Rabobank expects to be subject to the initial margin requirements as of the fourth phase compliance date on 1 September 2019. The Uncleared Swap Margin Rules may have an adverse effect on the liquidity of Rabobank Group and/or its ability to continue to invest and/or hedge in the OTC derivatives market.

Additionally, the Dodd-Frank Act requires systemically important non-bank financial companies and large, interconnected financial institutions, including any non-U.S. bank with U.S.$50 billion or more in total consolidated assets that has a branch or agency in the U.S. (such as Rabobank Group) to prepare and periodically submit to the Federal Reserve, the FDIC and the FSOC, a plan for such company's rapid and orderly resolution in the event of material financial distress or failure. The U.S. resolution plan requirements have been

implemented through regulations issued by the Federal Reserve and the FDIC that establish rules and requirements regarding the submission and content of a resolution plan and procedures for review by the Federal Reserve and the FDIC. The Federal Reserve and the FDIC must determine that a company's U.S. resolution plan is credible and would facilitate an orderly resolution of the company. A company that fails to submit a credible U.S. resolution plan may be subject to a range of measures imposed by the Federal Reserve and the FDIC, including more stringent capital, leverage or liquidity requirements; restrictions on growth, activities or operations; and requirements to divest assets or operations, as directed by the Federal Reserve and the FDIC. While Rabobank was not required to submit a U.S. resolution plan in 2016 or 2017, Rabobank was required to, and did, submit a U.S. resolution plan in 2018. On 8 April 2019, the Federal Reserve and the FDIC released a notice of proposal rulemaking to amend the U.S. resolution plan requirements to reflect improvements since such rule was finalized and to address amendments made by the EGRRCPA.

Implementation of the Dodd-Frank Act and related final regulations is ongoing and has resulted in significant costs and potential limitations on Rabobank Group's businesses and may have a material adverse effect on Rabobank Group's results of operations. In addition, the uncertainty of the regulatory environment in the United States, especially with respect to the status of certain aspects of the Dodd-Frank Act and other U.S. regulations could impact Rabobank Group's business activities and the value of the Capital Securities should significant changes to such regulations be implemented.

USE OF PROCEEDS

The net proceeds of the issue of the Capital Securities, expected to amount to approximately EUR 1,239,375,000, will be used to fund the general banking business and commercial activities of the Rabobank Group, and to strengthen its capital base.

The expenses in connection with the transaction are expected to amount to EUR 300,000.

TAXATION

Netherlands Taxation

Introduction

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 investors. Prospective investors should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of the 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 of this Offering Circular. It does not take into account any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "the Netherlands" shall mean that part of the Kingdom of the Netherlands located in Europe and "Dutch Taxes" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. This summary does not describe the Dutch tax consequences for a person to whom the Capital Securities are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

Withholding tax

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

Taxes on income and capital gains

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to:

(i) an investor who is an individual and for whom the income or capital gains derived from the Capital Securities are attributable to employment activities, the income from which is taxable in the Netherlands; and

(ii) an investor which is a corporate entity and a resident of Aruba, Curaçao or Sint-Maarten; and

(iii) an investor that owns a substantial interest (*aanmerkelijk belang*) in the Issuer.

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

(i) the investor is, or is deemed to be, resident in the Netherlands; or

(ii) the investor 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 Capital Securities are attributable; or

(iii) the investor is an individual and derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Capital Securities, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or

(iv) the investor is not an individual and is entitled to a share in the profits or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands, other than by way of the holding of securities, and to which enterprise the Capital Securities are attributable; or

(v) the investor is an individual and 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, and to which enterprise the Capital Securities are attributable.

Gift tax or inheritance tax

No Dutch gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Capital Securities by way of a gift by, or on the death of, an investor, except if the investor is a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

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 twelve months preceding the date of the gift.

Other taxes

No other Dutch Taxes, such as turnover tax (*omzetbelasting*) or other similar tax or duty (including stamp duty and court fees), are due by reason only of the issue, acquisition or transfer of the Capital Securities.

Residency

Subject to the exceptions above, an investor will not become resident, or deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of Rabobank's performance under, or the investor's acquisition (by way of issue or transfer to it), holding and/or disposal of Capital Securities.

FATCA withholding

Pursuant to certain provisions of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The issuer believes that it is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, are not clear at this time. Under recently proposed regulations, even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, under proposed regulation such withholding would not apply to "foreign passthru payments" prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Capital Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Capital Securities, no person will be required to pay Additional Amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Coöperatieve Rabobank U.A., Credit Suisse Securities (Europe) Limited, Goldman Sachs International, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (the "**Joint Lead Managers**") have, pursuant to a subscription agreement dated 5 September 2019 (the "**Subscription Agreement**") agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Capital Securities at 100 per cent. of the principal amount of the Capital Securities plus accrued interest (if any), less certain commissions as agreed with the Issuer.

In addition, the Issuer will reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Capital Securities.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Capital Securities to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States

The Capital Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Capital Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Capital Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Capital Securities, an offer or sale of Capital Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the United Kingdom.

Canada

Each Joint Lead Manager has acknowledged that the Capital Securities have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. Each Joint Lead Manager has represented and agreed that it has not offered, sold, distributed, or delivered, and that it will not offer, sell, distribute, or deliver, any Capital Securities, directly or indirectly, in Canada or to or for the benefit of any resident other than in compliance with applicable securities laws of any province or territory of Canada. Each Joint Lead Manager has also agreed that it will offer, sell, distribute or deliver the Offering Circular only pursuant to an exemption from the requirement to file an offering circular in the province or territory of Canada in which such offer, sale, distribution or delivery is made. Each Joint Lead Manager has also represented and agreed that it has not and will not distribute or deliver this Offering Circular, or any other offering material in connection with any offering of the Capital Securities, in Canada other than in compliance with applicable securities laws.

Japan

The Capital Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Joint Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Capital Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Capital Securities or caused such Capital Securities to be made the subject of an invitation for subscription or purchase, and will not offer or sell such Capital Securities or cause such Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Capital Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore, as modified from time to time) (the "**SFA**"))

pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Capital Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Capital Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Capital Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Capital Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Capital Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People's Republic of China

Each Joint Lead Manager has represented and agreed that the Capital Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Brazil

Neither the Issuer, nor the issuance and offering of the Capital Securities have been, or will be, registered with the Brazilian Securities and Exchange Commission (the "***Comissão de Valores Mobiliários***" or the "**CVM**"). Any public offering of the Capital Securities in Brazil, as defined under Brazilian laws and regulations, requires prior registration with the CVM under Law No. 6,385, dated 7 December 1976, as amended, and CVM Instruction No. 400, dated December 29, 2003, as amended. Therefore, the Capital Securities may not be issued, distributed, offered, placed or negotiated in the Brazilian capital markets, except in circumstances which do not constitute a public offering, distribution, placement or negotiation in the Brazilian capital markets, as well as any documents relating to the offering of the Capital Securities and any information contained in those documents, may not be distributed to the public in Brazil nor be used in connection with any offer for subscription or sale of the Capital Securities to the public in Brazil.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Capital Securities described herein. Each Joint Lead Manager has represented and agreed that the Capital Securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Capital Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Capital Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Republic of Italy

The offering of the Capital Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Capital Securities may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Capital Securities be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Capital Securities or distribute any copy of this Offering Circular or any other document relating to the Capital Securities in Italy except:

(a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-*ter*, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Capital Securities or distribution of copies of this Offering Circular or any other document relating to the Capital Securities in Italy under paragraphs (a) or (b) above must be:

(ix) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(x) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(xi) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Republic of France

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Capital Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular or any other offering material relating to the Capital Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) and/or (iii) a limited circle of investors (*cercle restreint*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 and D.411-4 of the French Code *monétaire et financier*.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Capital Securities, or possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Joint Lead Manager has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Capital Securities, or has in its possession or distributes the Offering Circular or any other offering material.

GENERAL INFORMATION

1. Application has been made to Euronext Dublin for the Capital Securities to be admitted to the Official List of Euronext Dublin and to trading on the Global Exchange Market with effect from the Issue Date, subject only to the issue of the Temporary Global Capital Security.

4. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Capital Securities. The issue of the Capital Securities was approved by the Issuer on 3 September 2019 which approval is in accordance with the funding mandate authorised by resolutions of the Managing Board passed on 12 November 2018 and a resolution of the Supervisory Board passed on 23 November 2019, as confirmed by a Secretary's Certificate dated 5 September 2019.

5. There has been no significant change in the financial or trading position of the Issuer or of Rabobank Group since 30 June 2019, and there has been no material adverse change in the financial position or prospects of the Issuer or of Rabobank Group, since 31 December 2018.

6. Save as disclosed in the section entitled "*Legal and arbitration proceedings*" on pages 85 to 86 of this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability.

7. Each Capital Security and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

8. The Capital Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) is XS2050933972 and the Common Code is 205093397.

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

9. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Rabobank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the Capital Securities being issued.

10. Where information in this Offering Circular (including where such information has been incorporated by reference) has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

11. The yield of the Capital Securities for the period from (and including) the Issue Date to (but excluding) the First Reset Date, is 3.250 per cent. on a semi-annual basis, assuming interest is paid in full on the full Initial Principal Amount. Thereafter, the yield shall be subject to the reset mechanism described in Condition 4. The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of any future yield.

12. The Irish Listing Agent is Arthur Cox Listing Services Limited and the address of its registered office is Ten Earlsfort Terrace, Dublin 2, Ireland. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Capital Securities and is not itself seeking

admission of the Capital Securities to listing on the Official List or to trading on the Global Exchange Market.

13. For so long as the Capital Securities are listed on Euronext Dublin, copies (and English translations where the documents in question are not in English) of the following documents will be available in physical form, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection, free of charge, at the offices of the Fiscal Agent:

    (a) the Agency Agreement (which includes the forms of the Global Capital Security and the Definitive Capital Security);

    (b) the Articles of Association of the Issuer;

    (c) the audited unconsolidated financial statements of Rabobank for the years ended 31 December 2017 and 2018, the audited consolidated financial statements of Rabobank Group for the two years ended 31 December 2017 and 2018 and the unaudited condensed consolidated interim financial information of Rabobank Group for the six months ended 30 June 2019;

    (d) the annual report 2018 of Rabobank; and

    (e) a copy of this Offering Circular.

14. PricewaterhouseCoopers Accountants N.V., of which the 'registeraccountants' are members of the NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants* – The Royal Netherlands Institute of Chartered Accountants), has audited, and issued unqualified independent auditor's reports on, the unconsolidated financial statements of Rabobank for the years ended 31 December 2017 and 2018 and the consolidated financial statements of Rabobank Group for the years ended 31 December 2017 and 2018. PricewaterhouseCoopers Accountants N.V. has given its consent to the inclusion in this Offering Circular of its independent auditor's reports on these financial statements for the years ended 31 December 2017 and 2018 and its review report to the condensed consolidated interim financial information for the six-month period ended 30 June 2019 as incorporated by reference herein in the form and context in which they appear. PricewaterhouseCoopers Accountants N.V. has no interest in the Issuer.

15. The Legal Entity Identifier (LEI) of Coöperatieve Rabobank U.A. is DG3RU1DBUFHT4ZF9WN62.

16. In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such short positions could adversely affect future trading prices of the Capital Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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