



Rabobank

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.
(RABOBANK NEDERLAND)**

(a cooperative with limited liability (coöperatie B.A.) established under the laws of the Netherlands, with its statutory seat in Amsterdam, the Netherlands)

Admission to listing and trading on NYSE Euronext in Amsterdam of up to 237,961,365 Rabobank Certificates with a nominal amount of €25.00 each

This prospectus (“**Prospectus**”) is published in connection with the first admission to listing and trading (the “**Listing**”) on NYSE Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (“**NYSE Euronext Amsterdam**”) of up to 237,961,365 Rabobank certificates (*Rabobank certificaten*), with a nominal amount of €25.00 each (the “**Rabobank Certificates**”). The Rabobank Certificates will be issued by Stichting AK Rabobank Ledencertificaten (to be renamed Stichting AK Rabobank Certificaten) (“**Stichting AK Rabobank**”) in exchange for Current Member Certificates (as defined below) and represent interests in a corresponding number of participations, with a nominal value of €25.00 each, issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) (“**Rabobank Nederland**”) to Stichting AK Rabobank (the “**Rabobank Participations**”). The Rabobank Participations and the Rabobank Certificates are governed by Dutch law.

THIS PROSPECTUS IS NOT PUBLISHED IN CONNECTION WITH, AND DOES NOT CONSTITUTE, AN OFFER OF SECURITIES BY OR ON BEHALF OF RABOBANK NEDERLAND OR STICHTING AK RABOBANK OR ANY OTHER PERSON.

The Listing of the Rabobank Certificates is conditional upon the approval by the meeting of holders of current member certificates (*Rabobank Ledencertificaten*) with a nominal amount of €25.00 each (the “**Current Member Certificates**”), of the amendment of the current terms and conditions of administration of Stichting AK Rabobank (the “**Current Terms and Conditions**”) to align them with the draft terms and conditions dated 11 December 2013 (the “**Terms and Conditions**”) attached as Annex II to this Prospectus (the “**Amendment**”). The Amendment will be considered at a meeting of the holders of Current Member Certificates, which is scheduled to be held on or around 14 January 2014. If the Amendment is approved, the Current Member Certificates will be exchanged for Rabobank Certificates with the features as described in this Prospectus and the Listing shall occur.

Prior to the Listing, the Current Member Certificates and the Rabobank Certificates have not been listed or admitted to trading on a regulated market. Application has been made to list all Rabobank Certificates with ISIN XS1002121454 and common code 100212145 on NYSE Euronext Amsterdam. The Rabobank Certificates will be traded as a percentage of their nominal amount. Rabobank Nederland, Stichting AK Rabobank, NYSE Euronext Amsterdam, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) (the “**Listing and Amsterdam Paying Agent**”) and Deutsche Bank AG, London Branch as paying agent (the “**Paying Agent**”) and as common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”) (the “**Common Depository**”) do not accept any responsibility or liability with respect to any person as a result of the non-occurrence of the Listing. The Listing is expected to take place on or around 27 January 2014 at NYSE Euronext Amsterdam (the “**Listing Date**”).

The Rabobank Certificates will be in registered form. The Rabobank Certificates will be registered in the name of a nominee of the Common Depository, and will be represented by a global proof of ownership (the “**Global Proof of Ownership**”) held in custody by the Common Depository on behalf of Euroclear and Clearstream.

INVESTING IN THE RABOBANK CERTIFICATES INVOLVES RISKS. SEE “RISK FACTORS” BEGINNING ON PAGE 17 OF THIS PROSPECTUS FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE RABOBANK CERTIFICATES.

This document constitutes a prospectus for the purposes of article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) and has been prepared in accordance with Section 5:9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “**FMSA**”). This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the “**AFM**”).

The Rabobank Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and subject to certain exceptions, may not be offered, sold or delivered within the United States of America (the “**U.S.**”).

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Rabobank Nederland and Stichting AK Rabobank disclaim all responsibility for any violation of such restrictions by any person.

TABLE OF CONTENTS

Summary	3
Risk Factors	17
Important Information	29
Background and Reasons for the Listing	32
Summary Description of Rabobank Certificates.....	35
Summary Description of Transitional Certificates.....	40
Payments and Participation Rules	43
Business	46
Group Structure.....	57
Risk Management.....	62
Operating and Financial Review	69
Selected Historical Financial and Operational Information	100
Capitalisation and Indebtedness	104
Management, Employees and Corporate Governance.....	105
Regulation of the Group	125
Major Participants and Related Party Transactions	134
Taxation	135
Independent Auditors	137
General Information	138
Documents Incorporated by Reference.....	139
Definitions.....	140
ANNEX I: Draft articles of Stichting AK Rabobank	145
ANNEX II: Draft Terms and Conditions of Stichting AK Rabobank	149
ANNEX III: Article 18 of the Rabobank Nederland Articles	160
ANNEX IV: Participation Rules.....	162
ANNEX V: Comparison between the Current Member Certificates and the Rabobank Certificates	164

SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is ‘not applicable’.

Section A – Introduction and Warnings		
A.1	Introduction and warnings	<p>This summary should be read as an introduction to this prospectus relating to the first admission to listing and trading (the “Listing”) on NYSE Euronext in Amsterdam, of up to 237,961,365 Rabobank certificates, with a nominal amount of €25.00 each (the “Rabobank Certificates”) (the “Prospectus”). The Rabobank Certificates will be issued by Stichting AK Rabobank Ledencertificaten (to be renamed Stichting AK Rabobank Certificaten) (“Stichting AK Rabobank”) and represent interests in a corresponding number of participations, with a nominal value of €25.00 each, issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) (“Rabobank Nederland”) to Stichting AK Rabobank (“Rabobank Participations”). Any decision to invest in Rabobank Certificates should be based on a consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in Rabobank Certificates.</p> <p>THIS PROSPECTUS IS NOT PUBLISHED IN CONNECTION WITH, AND DOES NOT CONSTITUTE, AN OFFER OF SECURITIES BY OR ON BEHALF OF RABOBANK NEDERLAND OR STICHTING AK RABOBANK OR ANY OTHER PERSON.</p> <p>The financial data in the (sub) paragraphs in this summary marked with an asterisk (*) have not been directly extracted from the audited financial statements but instead are unaudited and derived from the condensed consolidated interim financial information or accounting records of Rabobank Nederland, unless otherwise stated. The unaudited condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 as adopted by the European Union.</p> <p>IAS 19 (Employee benefits) was amended in June 2011 and became effective as IAS19R as of 1 January 2013 (the “Revised IAS 19”). The statement of financial position for the year-end 2012 included in the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2013 has been restated in accordance with Revised IAS 19. The statement of financial position for the year-end 2012 as included in the audited consolidated financial statements of the Group (as defined in Element B.3 below) for the year ended 2012 was not restated. The restated statement of financial position is included in this summary.</p>
A.2	Consent, indication, conditions and notice	Not applicable; there will be no subsequent resale of or final placement of the Rabobank Certificates by financial intermediaries.

Section B – The Issuer		
B.1	Legal and commercial name of Rabobank Nederland	Rabobank Nederland. The commercial names of Rabobank Nederland are Rabobank Nederland, Rabobank International, Bizner Bank, Rabo Securities and Rabofacet.
B.2	Domicile, legal form, legislation and country of establishment	Rabobank Nederland is a cooperative with limited liability (<i>coöperatie B.A.</i>) established under the laws of and domiciled in the Netherlands. Its corporate seat is in Amsterdam, the Netherlands, and its registered office is at Croeselaan 18, 3521 CB Utrecht, the Netherlands.
B.3	Key factors relating to the nature of the Group's operations and its principal activities	<p>The group (within the meaning of Section 2:24b of the Dutch Civil Code) to which Rabobank Nederland belongs (the “Group”) is an international financial service provider operating on the basis of cooperative principles. As of 30 June 2013, it comprised Rabobank Nederland and its subsidiaries and 136 independent local Dutch banks that are member of Rabobank Nederland and that are banking cooperatives in their own right (“Local Rabobanks”). The Group operates in 42 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on maintaining the Group's position in the Dutch market and, internationally, on food and agri. The Group believes that its entities have strong interrelationships due to the Group's cooperative structure. The Group's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS Ratings Ltd). In terms of tier 1 capital, the Group is among the world's 30 largest financial institutions (source: The Banker).</p> <p>The Group's cooperative core business comprises independent Local Rabobanks. Clients can become members of their Local Rabobank. In turn, the Local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the Local Rabobanks. With 802 branches and 2,735 cash-dispensing machines as of 30 June 2013, the Local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the Local Rabobanks serve approximately 6.7 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.</p> <p>Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is the trade name for the Group's wholesale bank and international retail bank.</p> <p>Historically, the Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, the 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, the Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. The Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.</p> <p>As of 30 June 2013, the Group had total assets of €698.4 billion*, a private sector loan portfolio of €454.4 billion*, amounts due to customers of €339.8 billion* (of which savings deposits total €156.1 billion*), and equity of €40.7 billion*. Of the private sector loan portfolio, €220 billion*, virtually all of which were mortgages, consisted of loans to private individuals, €143.8 billion* of loans to the trade, industry and services sector and €90.6 billion* of loans to the food and agri sector. As of 30 June 2013, its core tier 1 ratio, which is the ratio between core tier 1 capital and total risk-weighted assets, was 12.9%* and its tier 1 ratio, which is the ratio between tier 1 capital and total risk-weighted assets, was 16.9%*. For the six-month period ended 30 June 2013, the Group's efficiency ratio, which is the ratio between total</p>

		operating expenses and total income, was 65.8%*, and the return on equity, or net profit expressed as a percentage of tier 1 capital, was 5.8%*. For the six-month period ended 30 June 2013, the Group realised a net profit of €1,112 million* and a Risk Adjusted Return On Capital of 9%* after tax. As of 30 June 2013, the Group employed 59,506 full-time equivalents*. For the year ended 31 December 2012, the rate of absenteeism was 3.6%*.																																																																																	
B.4a	Significant recent trends	The Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. A deterioration in economic conditions, or the Group's inability to accurately predict or respond to such developments could have a material adverse effect on the Group's prospects, business, financial condition and results of operations.																																																																																	
B.5	Description of the Group and Rabobank Nederland's position within the Group	The Group (within the meaning of Section 2:24b of the Dutch Civil Code) is comprised of Rabobank Nederland, Rabobank Nederland's members being the Local Rabobanks in the Netherlands, and its subsidiaries and participations in the Netherlands and abroad.																																																																																	
B.6	Persons who, directly and indirectly, have a notifiable interest in Rabobank Nederland's capital or voting rights	Not applicable; there is no obligation under Dutch law or under the articles of association of Rabobank Nederland, as amended from time to time, most recently on 23 June 2011 (the " Rabobank Nederland Articles ") for anyone to disclose their interest in Rabobank Nederland's capital or voting rights.																																																																																	
	Different voting rights	Not applicable; Stichting AK Rabobank and the holders of Rabobank Certificates do not have any voting rights in the general meeting of members of Rabobank Nederland (<i>algemene ledenvergadering</i>) (the " General Meeting ").																																																																																	
	Direct and indirect ownership of or control over Rabobank Nederland	Rabobank Nederland is not directly or indirectly owned or controlled by another corporation or by any foreign government. Rabobank Nederland is a cooperative with members. Its members are Local Rabobanks who are represented in the Central Delegates Assembly and the General Meeting. The Central Delegates Assembly (<i>Centrale Kringvergadering</i>) has a significant influence on the views adopted in the Group. The General Meeting is the body through which all Local Rabobanks can exercise direct control. The General Meeting deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the Rabobank Nederland Articles and regulations and the appointment of members of the supervisory board (<i>raad van commissarissen</i>) of Rabobank Nederland (the " Supervisory Board "). The financial performance of Rabobank Nederland is dependent upon the performance of the independent Local Rabobanks and the subsidiaries within the Group. Rabobank Nederland is not aware of any arrangement that may, at a subsequent date, result in a change of control.																																																																																	
B.7	Selected historical key financial information	<p>Consolidated statement of financial position</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">As of 30 June,</th> <th colspan="2">As of 31 December,</th> </tr> <tr> <th>(in millions of euro)</th> <th>2013*</th> <th>2012* 2012*(1)</th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents</td> <td>45,181</td> <td>68,154</td> <td>68,103</td> <td>70,430</td> <td>13,471</td> </tr> <tr> <td>Due from other banks</td> <td>34,091</td> <td>34,103</td> <td>35,386</td> <td>25,221</td> <td>33,511</td> </tr> <tr> <td>Trading financial assets</td> <td>6,843</td> <td>7,511</td> <td>6,387</td> <td>8,112</td> <td>12,987</td> </tr> <tr> <td>Other financial assets at fair value through profit or loss</td> <td>5,381</td> <td>7,209</td> <td>5,911</td> <td>7,015</td> <td>9,588</td> </tr> <tr> <td>Derivative financial instruments</td> <td>47,774</td> <td>65,411</td> <td>65,423</td> <td>58,973</td> <td>43,947</td> </tr> <tr> <td>Loans to customers</td> <td>479,180</td> <td>488,444</td> <td>485,299</td> <td>468,085</td> <td>455,941</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td>51,217</td> <td>53,469</td> <td>50,425</td> <td>51,930</td> <td>55,458</td> </tr> <tr> <td>Held-to-maturity financial assets</td> <td>—</td> <td>51</td> <td>—</td> <td>109</td> <td>218</td> </tr> <tr> <td>Investments in associates</td> <td>3,541</td> <td>3,487</td> <td>3,649</td> <td>3,340</td> <td>3,539</td> </tr> <tr> <td>Intangible assets</td> <td>2,279</td> <td>2,994</td> <td>2,343</td> <td>2,802</td> <td>3,675</td> </tr> <tr> <td>Property and equipment</td> <td>7,058</td> <td>6,494</td> <td>6,500</td> <td>6,132</td> <td>6,006</td> </tr> </tbody> </table>		As of 30 June,		As of 31 December,		(in millions of euro)	2013*	2012* 2012*(1)	2011	2010	Assets					Cash and cash equivalents	45,181	68,154	68,103	70,430	13,471	Due from other banks	34,091	34,103	35,386	25,221	33,511	Trading financial assets	6,843	7,511	6,387	8,112	12,987	Other financial assets at fair value through profit or loss	5,381	7,209	5,911	7,015	9,588	Derivative financial instruments	47,774	65,411	65,423	58,973	43,947	Loans to customers	479,180	488,444	485,299	468,085	455,941	Available-for-sale financial assets	51,217	53,469	50,425	51,930	55,458	Held-to-maturity financial assets	—	51	—	109	218	Investments in associates	3,541	3,487	3,649	3,340	3,539	Intangible assets	2,279	2,994	2,343	2,802	3,675	Property and equipment	7,058	6,494	6,500	6,132	6,006
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		Condensed consolidated statement of income				
		Six-month period ended 30 June,		Year ended 31 December,		
		2013*	2012*	2012	2011	2010
		<i>(in millions of euro)</i>				
	Interest	4,445	4,473	9,097	9,174	8,164
	Commission	1,046	1,169	2,206	2,361	2,831
	Other income	944	1,241	2,149	1,171	1,271
	Total income	6,445	6,883	13,452	12,706	12,716
	Staff costs	2,634	2,773	5,325	4,862	4,919
	Other administrative expenses	1,352	1,364	2,979	2,850	2,706
	Depreciation and amortisation	257	254	527	540	571
	Operating expenses	4,243	4,391	8,831	8,252	8,196
	Value adjustments	1,106	1,096	2,350	1,606	1,234
	Bank tax	–	–	196	–	–
	Operating profit before taxation	1,096	1,396	2,075	2,848	3,286
	Income tax expense	82	180	160	355	514
	Net profit from continued operations	1,014	1,216	1,915	2,493	2,772
	Net profit from discontinued operations	98	71	197	134	–
	Net profit	1,112	1,287	2,112	2,627	2,772
	Of which attributable to Rabobank Nederland / Local Rabobanks	550	660	897	1,549	1,846
	Of which attributable to holders of Current Member Certificates	161	165	328	315	303
	Of which attributable to Capital Securities	340	371	717	612	460
	Of which attributable to Trust Preferred Securities III to VI	34	38	75	73	73
	Of which attributable to non-controlling interests	27	53	95	78	90
	Net profit	1,112	1,287	2,112	2,627	2,772
		Financial ratios				
		As of 30 June 2013*	As of 31 December 2012	As of 30 June 2012*	As of 31 December 2011	As of 31 December 2010
	BIS ratio	18.7%	19%	17.6%	17.5%	16.3%
	Tier 1 ratio	16.9%	17.2%	16.9%	17%	15.7%
	Core tier 1 ratio	12.9%	13.2%	12.7%	12.7%	12.6%
	Equity capital ratio ⁽¹⁾	15.2%	15.3%	14.5%	14.7%	14.2%
	Bad debt costs (in basis points of average lending)	49*	52*	49*	37*	29*
	Note:	(1) The equity capital ratio is calculated by dividing retained earnings and Current Member Certificates by total of risk-weighted assets.				
B.8	Selected key pro forma financial information	Not applicable; no pro forma financial information has been included.				
B.9	Profit forecast	Not applicable; Rabobank Nederland has not made any public profit forecasts or estimates.				
B.10	Historical audit report qualifications	Not applicable; the audit reports on Rabobank Nederland's audited financial statements for the years ended 31 December 2010, 2011 and 2012 are unqualified.				

B.11	Explanation if insufficient working capital	Not applicable; the Group believes that its working capital is sufficient for its present requirements, that is for at least twelve months following the date of this Prospectus. The Group currently complies with the applicable own funds requirements as set out in Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (recast) and Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions (recast) as implemented in the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i> , the “FMSA”). The Group’s current own funds are sufficient to comply with the own funds requirements, as set out in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the “CRR”) that will apply with effect from 1 January 2014. The Group currently complies with the applicable liquidity requirements as set out in the FMSA. The Group’s current liquidity position is sufficient to comply with the liquidity requirements, as set out in CRR that will apply with effect from 1 January 2014.
Section C – Securities		
C.1	Type and class, security identification number	Rabobank Participations are registered participation rights issued by Rabobank Nederland pursuant to Article 18 of the Rabobank Nederland Articles. Stichting AK Rabobank will issue Rabobank Certificates for the Rabobank Participations subject to the Terms and Conditions (as defined under Element C.4 below) whereby Stichting AK Rabobank will issue one Rabobank Certificate for each Rabobank Participation acquired by it. Application has been made to list all Rabobank Certificates with ISIN XS1002121454 and common code 100212145 on NYSE Euronext in Amsterdam.
C.2	Currency	The Rabobank Participations are denominated in euro. The Rabobank Certificates will be denominated in and will trade in euro.
C.3	Number of Rabobank Participations and Rabobank Certificates and nominal value	As of the date of this Prospectus, 237,961,365 Rabobank Participations are outstanding, with a nominal value of €25.00 each. As of the date of this Prospectus, 237,961,365 current member certificates (<i>Rabobank Ledencertificaten</i>) with a nominal amount of €25.00 each (the “ Current Member Certificates ”) are outstanding. These Current Member Certificates will be exchanged for Rabobank Certificates if the Amendment (as defined in Element E.3 below) is approved.
C.4	Rights attached to the Rabobank Participations and Rabobank Certificates	<p>Introduction Elements C.4 and C.5 are written as if:</p> <ul style="list-style-type: none"> • the current terms and conditions of administration of Stichting AK Rabobank (the “Current Terms and Conditions”) have been amended to align them with the draft terms and conditions of administration (<i>administratievoorwaarden</i>) of Stichting AK Rabobank dated 11 December 2013 (the “Terms and Conditions”), as they are anticipated to be in effect upon Listing and as described in this Prospectus; and • the current articles of Stichting AK Rabobank have been amended to align them with the draft articles of Stichting AK Rabobank dated 11 December 2013 (the “Stichting Articles”) as they are anticipated to be in effect upon Listing and as described in this Prospectus. <p>The features of the Rabobank Certificates described below therefore assume that the Current Member Certificates have been exchanged for Rabobank Certificates.</p> <p>Rabobank Certificates As the Rabobank Certificates are derived from the Rabobank Participations, the features of the Rabobank Participations and the rights of the holders of the Rabobank Participations, particularly any rights to payments and other distributions (see under Element C.7 below), extend to the Rabobank Certificates and the rights of the holders of the Rabobank Certificates, respectively.</p> <p>Payments and other distributions Stichting AK Rabobank shall distribute any payments and other distributions received by it on the Rabobank Participations to Deutsche Bank AG, London Branch, as paying agent, for the account of the nominee of the common depositary who will distribute the relevant amounts to Euroclear Bank</p>

		<p>S.A/N.V. (“Euroclear”) and Clearstream Banking, <i>société anonyme</i> (“Clearstream”) for their participants in accordance with Euroclear and Clearstream’s customary procedures. Each payment of any such distributions shall be made to, or to the order of, the person whose name is entered on the register at the close of business on the record date, which shall be the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive, except for 25 December and 1 January. The participants of Euroclear and Clearstream will thereafter credit the accounts of the ultimate holders of Rabobank Certificates in accordance with their customary procedures. Any claim for payment of distributions shall become due in the same amount and on the same dates as payments of distributions on the underlying Rabobank Participations. Stichting AK Rabobank shall instruct payments of distributions on the Rabobank Certificates upon receipt of the distributions on the underlying Rabobank Participations.</p> <p><i>Voting rights</i> The Rabobank Certificates do not confer upon holders the right to vote at a General Meeting, nor do they confer the right to attend any such General Meeting. They do, however, confer the right to vote at the meeting of holders of Rabobank Certificates.</p> <p>A meeting of holders of Rabobank Certificates will be held each year within six months after the end of the financial year of Rabobank Nederland. At this meeting, Stichting AK Rabobank shall give a presentation summarising the report given to it by Rabobank Nederland regarding its management during the last financial year and, in particular, its policy regarding the distributions on the Rabobank Participations. Stichting AK Rabobank may furthermore convene a meeting of holders of Rabobank Certificates as frequently as it considers to be necessary or desirable.</p> <p><i>Amendment of the Terms and Conditions</i> Stichting AK Rabobank may amend the Terms and Conditions subject to having obtained the prior approval of Rabobank Nederland and the meeting of holders of Rabobank Certificates. A resolution of the meeting of holders of Rabobank Certificates approving an amendment to the Terms and Conditions may only be validly adopted at a meeting at which at least two-thirds of the nominal amount of the Rabobank Certificates outstanding is represented and with a majority of at least two-thirds of the votes cast. If at such a meeting the requisite nominal amount of Rabobank Certificates is not represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least two-thirds of the votes cast, irrespective of the nominal amount of Rabobank Certificates represented.</p> <p>The approval of the meeting of holders of Rabobank Certificates is not required for an amendment to the Rabobank Nederland Articles or the rules which describe the rights and conditions that apply to the Rabobank Participations (<i>Rabobank participatiereglement</i>).</p> <p>Rabobank Participations <i>Nominal value; payment on issue; form</i> The current outstanding Rabobank Participations have a nominal value of €25.00 each. These Rabobank Participations have been paid in full. No participation receipts (<i>participatiebewijzen</i>) have been issued for the Rabobank Participations.</p> <p><i>Issuance of new Rabobank Participations; classes</i> The decision to issue any new Rabobank Participations shall be taken by the executive board (<i>raad van bestuur</i>) of Rabobank Nederland (the “Executive Board”) subject to the consent of the Supervisory Board. If new Rabobank Participations are issued at a nominal value of €25.00, they shall form part of the same class as the current outstanding Rabobank Participations, unless the Executive Board determines at the time of issue that they will constitute a separate class of Rabobank Participations.</p>
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C.5	Restrictions on transferability of the Rabobank Participations and Rabobank Certificates	<p>Rabobank Participations The Rabobank Participations are in registered form and are registered in the name of Stichting AK Rabobank. The transfer of the Rabobank Participations is subject to the prior consent of the Executive Board. In the absence of such approval any purported transfer of Rabobank Participations does not have legal effect.</p>

		<p>The Rabobank Participations may be transferred by a private or notarial deed and notification thereof must be given to Rabobank Nederland. No right of pledge or usufruct may be established on Rabobank Participations. These restrictions do not prevent the Rabobank Certificates from being transferred or encumbered.</p> <p>Rabobank Certificates</p> <p>The Rabobank Certificates are in registered form. The Rabobank Certificates are registered in the name of a nominee of the common depositary, and are represented by a global proof of ownership held in custody by the common depositary on behalf of Euroclear and Clearstream. Stichting AK Rabobank keeps a register of the Rabobank Certificates. The nominee of the common depositary is the sole registered holder named in the register.</p> <p>The Rabobank Certificates are included in the book-entry systems of Euroclear and Clearstream. The Rabobank Certificates are freely transferable in accordance with the Terms and Conditions. Transfers can be made through Euroclear and Clearstream via book-entry transfers. The same applies to the establishment or transfer of a right of pledge or usufruct on the Rabobank Certificates. The Rabobank Certificates can only be transferred in positive integral numbers, with a minimum transfer amount of one Rabobank Certificate.</p>
C.6	Listing and admission to trading of the Rabobank Certificates	<p>Application has been made to list all Rabobank Certificates with ISIN XS1002121454 and common code 100212145 on NYSE Euronext in Amsterdam. The Rabobank Certificates will be traded as a percentage of their nominal amount. Rabobank Nederland, Stichting AK Rabobank, Euronext Amsterdam N.V., Rabobank International as listing and Amsterdam paying agent and Deutsche Bank AG, London Branch as paying agent and common depositary do not accept any responsibility or liability with respect to any person as a result of the non-occurrence of the Listing. The Listing is expected to take place on or around 27 January 2014 at NYSE Euronext in Amsterdam.</p>
C.7	Payments and Participation Rules	<p>Introduction</p> <p>This Element C.7 summarises certain information concerning and the rules which describe the rights and conditions that apply to the Rabobank Participations as they are anticipated to be in effect upon Listing (<i>Rabobank participatiereglement</i>) which participation rules are expected to be approved by the Executive Board on 17 December 2013, subject to the approval of the Supervisory Board (the “Participation Rules”). The Participation Rules are expected to come into effect on the first day on which the Rabobank Certificates are admitted to trading on a regulated market. Until that date, the current rules which describe the rights and conditions that apply to the Rabobank Participations effective as of 29 September 2013 (<i>Rabobank participatiereglement</i>) (the “Current Participation Rules”) will continue to be in force.</p> <p>If the Listing does not occur, the Current Participation Rules will be amended to reflect that the minimum planned distribution for holders of Current Member Certificates will be raised from 5.2% (€0.3125 per Rabobank Participation) to 6.5% (€0.40625 per Rabobank Participation) with effect from the payment date on or around 29 March 2014.</p> <p>Provisions in the Rabobank Nederland Articles, Stichting Articles and the Participation Rules</p> <p>The decision on whether or not payments will be made on the Rabobank Participations, the amount of any such payments, and the date of the payments is made at the discretion of the Executive Board. The payments which Rabobank Nederland intends to make on the Rabobank Participations are described in the Participation Rules and are summarised under “Intended Payments” below. The holders of the Rabobank Participations and the holders of Rabobank Certificates may not derive any rights from any statement made by Rabobank Nederland that it intends to make payments on the Rabobank Participations as described below.</p> <p>The Participation Rules may be adopted and amended by the Executive Board at its discretion, subject to the consent of the Supervisory Board. Adoption and amendment of the Participation Rules does not require the consent from</p>

the holders of the Rabobank Participations or the holders of Rabobank Certificates. Under the Stichting Articles, Stichting AK Rabobank is obliged to pay the payments it receives in respect of the Rabobank Participations to the holders of the Rabobank Certificates.

Intended Payments

Without prejudice to the discretion of the Executive Board to elect not to make payments in respect of the Rabobank Participations, Rabobank Nederland intends to make payments on each Rabobank Participation on every Intended Payment Due Date (as defined below) beginning on the first Intended Payment Due Date following the Listing of an amount equal to the higher of:

- €0.40625; and
- the three-month arithmetical average (rounded to two decimal places) on an annual basis of the effective return on the most recent Reference Loan (as defined below) (or, if there is no Reference Loan, the most recent Alternative Reference Loan (as defined below)) for the previous Calculation Period (as defined below) immediately preceding the Intended Payment Period (as defined below), plus 1.5%, calculated based on a nominal value of €25 divided by four.

To the extent that one or more of the circumstances set out below under “Non-Payment and Incomplete Payment” arises, Rabobank Nederland will in any event not make a payment on an Intended Payment Due Date.

The three-month arithmetical average of the effective return of the Reference Loan and, if applicable, the Alternative Reference Loan (the “**Reference Loan Return**”) will be determined on a daily basis and will be published on a weekly basis on www.rabobank.com and on www.rabobank.nl. The calculation will be based on the information provided on the website of DNB or, if this website contains no relevant information, based on information from another source selected by Rabobank Nederland. Notification will be made on the websites mentioned above if an Alternative Reference Loan is used to calculate the payment. The use of an Alternative Reference Loan may have a positive or negative impact on the amount of any payment.

“**Alternative Reference Loan**” means one or more loans which, in the opinion of the Executive Board, coincide(s) as closely as possible with the yield, nature, remaining term and creditworthiness of the debtor(s) with a Dutch State loan having a remaining term between 9.5 and 10.5 years.

“**Calculation Period**” means each period of three months in respect of which the Reference Loan Return is calculated, running (i) from and including 26 March to and including 25 June, (ii) from and including 26 June to and including 25 September, (iii) from and including 26 September to and including 25 December and (iv) from and including 26 December to and including 25 March in each year.

“**Intended Payment Due Date**” means 29 March, 29 June, 29 September and 29 December in each year (or, if the date is not a day on which both (i) TARGET2 (Trans-European Automated Real-Time Gross Settlement Express Transfer 2) and (ii) banks in the Netherlands are open for payments in euro (a “**Business Day**”), the next following Business Day or, if this next following Business Day occurs in a subsequent month, the final Business Day before the day in question).

“**Intended Payment Period**” means each period of three months in respect of which payments (if any) on the Rabobank Participations are determined, running (i) from and including 30 December to and including 29 March, (ii) from and including 30 March to and including 29 June, (iii) from and including 30 June to and including 29 September, and (iv) from and including 30 September to and including 29 December in each year.

“**Reference Loan**”: means a Dutch State loan with a remaining term between 9.5 and 10.5 years or, if there is no such loan, a Dutch State loan with a remaining term between 9 and 11 years.

		<p>Non-Payment and Incomplete Payment</p> <p>The Executive Board may, at its discretion, elect not to make payments on the Rabobank Participations at all, or only to make partial payments. The Executive Board may also, at its discretion, decide on which dates Rabobank Nederland makes payments on the Rabobank Participations. Payments not made are non-cumulative and will not be made on a subsequent Intended Payment Due Date or on any other date. To the extent that no payments or other distributions on the Rabobank Participations are made, no payments or other distributions will be made on the Rabobank Certificates.</p> <p>Rabobank Nederland will in any event not make any payment in respect of the Rabobank Participations on an Intended Payment Due Date or at any other time if (i) it has no ‘distributable items’, within the meaning of CRR, or (ii) it has not obtained a declaration of no-objection from, or if a payment is otherwise prohibited by, DNB (or any other authority charged with supervision of the liquidity and solvency of credit institutions), all in accordance with the legislation then applicable to Rabobank Nederland.</p> <p>Taxation on Payments</p> <p>All payments on the Rabobank Participations will be made without retention, deduction or withholding for or on account of existing or future taxes or levies of any nature whatsoever imposed or levied by or on behalf of the State of the Netherlands or any competent tax authority thereof or therein, unless Rabobank Nederland is obliged to make such retention, deduction or withholding for such taxes or levies. In that event, Rabobank Nederland will make the required retention, deduction or withholding of such taxes or levies, as the case may be, and, at the same time, additional amounts will be paid to the holders of the Rabobank Participations and to the holders of the Rabobank Certificates in order for such holders to receive an amount equal to the amount which would have been received in the absence of the retention, deduction or withholding of such taxes or levies.</p>
Section D – Risks		
D.1	Key risks that are specific to the Group or its industry	<ul style="list-style-type: none"> • The Group is particularly exposed to changes in general economic conditions in the Netherlands and globally. A deterioration in economic conditions, or the Group’s inability to accurately predict or respond to such developments could have a material adverse effect on the Group’s prospects, business, financial condition and results of operations. • The Group is exposed to credit risk. Materialisation of the credit risk due to an economic downturn could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to country risk, including both transfer risk and collective debtor risk. Unpredictable and unexpected events which increase country risk could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to interest rate and inflation risk. Sudden and substantial changes in interest rates could have a material adverse effect on the Group’s business, financial condition and results of operations. Inflation and expected inflation can influence interest rates. • The Group is exposed to funding and liquidity risk. If clients or other professional counterparties suddenly withdraw more funding than expected this could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to market risk. Any future worsening of the situation in the financial markets could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to operational risk. The occurrence of any operational incidents could have a material adverse effect on the Group’s business, financial condition and results of operations. • The Group is exposed to systemic risk. The weakness and the perceived weakness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties, could have an adverse effect on the Group’s ability to raise new funding, its business, financial condition and results of operations.

		<ul style="list-style-type: none"> • The Group is exposed to legal risk. Legal and arbitration proceedings in which the Group is involved or may become involved in the future could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group is exposed to tax risk. If a tax risk materialises, this could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group is exposed to currency risk. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on the Group's business, financial condition and results of operations. • A material change in governmental or regulatory policies, applicable laws and regulations, or in their interpretation or enforcement or other governmental or regulatory actions could have a material adverse effect on the Group's business, financial condition and results of operations. • If the Group has insufficient capital resources to meet the minimum regulatory capital, liquidity restrictions or liquidity ratios, this could result in administrative actions or sanctions, which may have a material adverse effect on the Group's business, financial condition and results of operations. • A downgrading in its credit ratings could have a material adverse effect on the Group's prospects, business, financial condition and results of operations. • Any failure by the Group to maintain its competitive position could have a material adverse effect on the Group's prospects, business, financial condition and results of operations. • A deterioration of the geopolitical developments could have a material adverse effect on the Group's business, financial condition and results of operations. • The occurrence of terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group's success depends to a great extent on the ability and experience of its senior management and other key employees, and a loss of these individuals or the failure to recruit suitable managers and other key personnel, could have a material adverse effect on the Group's business, financial condition and results of operations.
D.3	Key risks relating to the Rabobank Certificates	<ul style="list-style-type: none"> • If the meeting of holders of Current Member Certificates does not approve the amendment of the Current Terms and Conditions to align them with the Terms and Conditions on or around 14 January 2014, the Listing will not take place and there may be no market on which the Current Member Certificates can be effectively traded. • Rabobank Certificates may not be a suitable investment for all investors. • Legal investment considerations may restrict certain investments. • The decision whether payments or other distributions are made on the Rabobank Certificates, the amount of any such payments and the date of payments is at the discretion of the Executive Board and subject to certain conditions. In case of non- or partial payment, holders of Rabobank Certificates have no compensation rights, cannot petition for bankruptcy and do not have a right to repayment of the nominal amount of the Rabobank Certificates. • Rabobank Nederland may in the future seek to raise capital by conducting equity offerings, which may result in lower or no payments or other distributions on the Rabobank Certificates. The issue of any such additional equity may result in there being an insufficient amount available to satisfy the amounts owing to holders of Rabobank Certificates in case of a winding-up of Rabobank Nederland. • An amendment to the Rabobank Nederland Articles or the Participation Rules, which may affect the position of the holders of Rabobank Certificates, does not require the consent of the holders of Rabobank Certificates as the holders of Rabobank Certificates carry no right to attend or vote at the General Meeting.

		<ul style="list-style-type: none"> • Rabobank Certificates and corresponding claims cannot be validated (<i>geverifieerd</i>) and are not subject to set-off. • The Rabobank Certificates are issued for an indefinite period. The Rabobank Participations and the Rabobank Certificates are, together with the Shares, the most deeply subordinated capital of Rabobank Nederland. Upon dissolution of Rabobank Nederland, holders of Rabobank Certificates could receive less than they have invested in the Rabobank Certificates. • Current and future Dutch, European or any other applicable legislation may result in the Rabobank Certificates being cancelled or expropriated without any compensation for the holders of Rabobank Certificates. • Application of the Dutch Intervention Act (<i>Wet bijzondere maatregelen financiële ondernemingen</i>) may affect the rights and effective remedies of holders of the Rabobank Certificates as well as their market value. • A significant number of Rabobank Certificates and the voting rights in the meeting of holders of Rabobank Certificates could be concentrated in the hands of one of more major holder(s) of Rabobank Certificates. Such major holders of Rabobank Certificates may have significant influence over the outcome of matters at the meeting of holders of Rabobank Certificates to the detriment of other holders of Rabobank Certificates and such holders' interests may not always be aligned with the interests of the other holders of Rabobank Certificates. Future sales of Rabobank Certificates, or the possibility thereof, by such major holders of Rabobank Certificates could further have a material adverse effect on the market price and volatility of the Rabobank Certificates. • No assurance can be given with respect to a change of law after the date of this Prospectus. • Investors are exposed to exchange rate risks and exchange controls if their financial investment's principal currency is not the euro. • The market price of the Rabobank Certificates may fluctuate and may decline below the nominal amount and trading in the Rabobank Certificates may be very limited which might lead to holders of Rabobank Certificates not being able to sell their Rabobank Certificates at or above the initial market price or at all. • Future sales or the possibility of future sales, of a substantial number of Rabobank Certificates could depress the market price of the Rabobank Certificates. • Holders of Rabobank Certificates may be confronted with unknown costs charged by investment firms for their service provision.
Section E – Listing		
E.1	Net proceeds and estimated expenses	Rabobank Nederland will not receive any proceeds in connection with the Listing. Rabobank Nederland anticipates that the expenses for the Listing will amount to approximately €1.2 million assuming that the maximum number of 237,961,365 Rabobank Certificates will be listed.
E.2a	Reasons for the Listing and use of proceeds	Prior to the Listing, the Current Member Certificates and the Rabobank Certificates have not been listed on a regulated market. By listing the Rabobank Certificates, the Group is aiming to broaden its investor base and enhance liquidity of the Rabobank Certificates by facilitating trading in the Rabobank Certificates through NYSE Euronext in Amsterdam the regulated market of Euronext Amsterdam N.V.
E.3	Terms and conditions of the Listing	The Listing is expected to take place on or around 27 January 2014. The Listing is conditional upon the approval, by the meeting of holders of Current Member Certificates, of the amendment of the Current Terms and Conditions to align them with Terms and Conditions (the “ Amendment ”). The Amendment will be considered at the meeting of the holders of Current Member Certificates, which is scheduled to be held on or around 14 January 2014. At this meeting, a resolution will be validly adopted by a majority of the votes cast by the holders of Current Member Certificates being present or represented, if the proposal has been unanimously recommended by the board of Stichting AK Rabobank and the proposal has been unanimously approved by the board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten. Stichting AK Rabobank Certificaten II, a newly established Dutch foundation, which as of the date of this Prospectus, holds 7.56% of the total outstanding

		<p>Current Member Certificates and which may ultimately acquire up to 25.21% of the total outstanding Current Member Certificates, is expected to vote in favour of the Amendment. If the meeting of holders of Current Member Certificates approves the Amendment and certain formalities are satisfied, the Current Member Certificates will be exchanged for Rabobank Certificates, which will be listed on NYSE Euronext in Amsterdam and will be included in the book-entry systems of Euroclear and Clearstream.</p> <p>If the meeting of holders of Current Member Certificates does not approve the Amendment, the Listing will not occur and the Current Member Certificates (which are subject to their existing strict transfer restrictions) may, due to them not being listed, effectively not be traded on the internal market as Rabobank Nederland will no longer purchase excess supply of Current Member Certificates.</p>
E.4	Interests material to the Listing (including conflicts of interests)	Not applicable; there is no interest, including any conflicting interest, that is material to the Listing.
E.5	Person or entity offering to sell the Rabobank Certificates and lock-up arrangements	Not applicable; no Rabobank Certificates are being offered pursuant to or in connection with this Prospectus.
E.6	Dilution	Not applicable; as no new Rabobank Certificates or Rabobank Participations are being issued, the Listing will not have a dilutive effect.
E.7	Estimated expenses charged to the investors by Rabobank Nederland	Not applicable; no expenses will be charged to investors by Rabobank Nederland in relation to the Listing.

RISK FACTORS

An investment in the Rabobank Certificates involves a high degree of risk and may result in the loss of all or part of investors' investment. Before investing in the Rabobank Certificates, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties in addition to the other information contained or incorporated by reference into this Prospectus as a whole. If any of the following risks actually occurs, the Group's (as defined below) business, results of operations, financial condition or prospects could be materially and adversely affected. In that event, the value of the Rabobank Certificates could decline and an investor might lose part or all of the investor's investment. In addition, if any of the following risks actually occur, the Group may not make any payments or other distributions on the Rabobank Participations and consequently Stichting AK Rabobank may not make any payments or other distributions on the Rabobank Certificates. Although the Group believes that the risks and uncertainties described below are the material risks and uncertainties facing the Group's business and the Rabobank Certificates, additional risks and uncertainties not presently known to the Group or that the Group currently deems immaterial could also have a material adverse effect on the Group's business, results of operations, financial condition or prospects and could negatively affect the price of the Rabobank Certificates. All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of the risks described below simultaneously and one or more of the risks described below may be interdependent. The risks and uncertainties described are not necessarily presented in the order of likelihood that a risk will materialise or seriousness of the consequences if a risk should materialise.

Prospective investors should read and carefully review the entire Prospectus and should reach their own views before making an investment decision with respect to any Rabobank Certificates. In addition, before making an investment decision with respect to any Rabobank Certificates, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Rabobank Certificates and consider such an investment decision in light of their personal circumstances.

Risks Relating to the Group's Business, Operations and the Industry in which it Operates

The Group is particularly exposed to changes in general economic conditions in the Netherlands and globally. A deterioration in economic conditions, or the Group's inability to accurately predict or respond to such developments could have a material adverse effect on the Group's prospects, business, financial condition and results of operations

The profitability of the group (within the meaning of Section 2:24b of the Dutch Civil Code (the "DCC")) to which Rabobank Nederland belongs (the "Group") could be adversely affected by a worsening of general economic conditions in the Netherlands and/or globally. Banks are still facing persistent turmoil in financial markets following the European sovereign debt crisis that arose in the first half of 2010 and has continued in 2013. In 2012, the Dutch economy contracted more than foreseen at the beginning of the year and was characterised by a drop in consumer spending, rising unemployment, falling house prices and a lack of business investment. These factors have resulted in reduced borrowing and interest rates, and increases in impaired loans. 2013 has been, and will be, another difficult year for the Dutch economy, as structural reform in the Dutch economy and throughout Europe has led to higher unemployment, lower household purchasing power and low business investment. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of the Group. In 2012, interest rates declined further to historic lows and have remained low in 2013. Persistent low interest rates, or even negative interest rates, have negatively affected, and continue to negatively affect, the net interest income of the Group. Also, a prolonged economic downturn, or significantly higher interest rates for customers, could adversely affect the credit quality of the Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, a market downturn and worsening of the Dutch and global economy could reduce the value of the Group's assets and could cause the Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees the 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 the Group executes and, therefore, a decline in customer deposits and the income it receives from fees and commissions and interest. See "Operating and Financial Review – Factors affecting Results of Operations – General market conditions". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or the Group's other major markets or the Group's inability to accurately predict or respond to such developments could have a material adverse effect on the Group's prospects, business, financial condition and results of operations.

The Group is exposed to credit risk. Materialisation of the credit risk due to an economic downturn could have a material adverse effect on the Group's business, financial condition and results of operations

Credit risk is defined as the risk that the bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A 'credit' is each legal relationship on the basis of which the 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.

A further economic downturn or worsening of the European sovereign debt crisis may result in an increase in credit risk and, consequently, loan losses that are above the Group's long-term average, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to country risk, including both transfer risk and collective debtor risk. Unpredictable and unexpected events which increase country risk could have a material adverse effect on the Group's business, financial condition and results of operations

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

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

The Group is exposed to interest rate and inflation risk. Sudden and substantial changes in interest rates could have a material adverse effect on the Group's business, financial condition and results of operations. Inflation and expected inflation can influence interest rates

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

The Group is exposed to funding and liquidity risk. If clients or other professional counterparties suddenly withdraw more funding than expected this could have a material adverse effect on the Group's business, financial condition and results of operations

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

The Group is exposed to market risk. Any future worsening of the situation in the financial markets could have a material adverse effect on the Group's business, financial condition and results of operations

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

The Group is exposed to operational risk. The occurrence of any operational incidents could have a material adverse effect on the Group's business, financial condition and results of operations

As a risk type, operational risk has acquired its own distinct position in the banking world. It is understood to mean "the risk of losses resulting from inadequate or failed internal processes, people or systems or from external events". Events of recent decades in modern international banking have shown on several occasions that ineffective control of operational risks can lead to substantial losses. Under the Basel II accord (as defined in

“Regulation of the Group”), banks must hold capital for this risk. Examples of operational risk incidents are highly diverse: fraud, claims relating to inadequate products, inadequate documentation, losses due to poor occupational health and safety conditions, errors in transaction processing, non-compliance with the law and system failures. The occurrence of any such incidents could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group is exposed to systemic risk. The weakness and the perceived weakness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties, could have an adverse effect on the Group’s ability to raise new funding, its business, financial condition and results of operations

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

The Group is exposed to legal risk. Legal and arbitration proceedings in which the Group is involved or may become involved in the future could have a material adverse effect on the Group’s business, financial condition and results of operations

The Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, the Group is exposed to many forms of legal risk, which may arise in a number of ways. The Group faces risk where legal and arbitration proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal and arbitration proceedings is inherently uncertain and could result in financial loss. Defending legal and arbitration proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Group is successful. On 29 October 2013, the Group entered into settlements totalling approximately €774 million with the Dutch Central Bank (“DNB”), the Dutch Public Prosecutor (“DPP”), United Kingdom Financial Conduct Authority (“FCA”), U.S. Commodity Futures Trading Commission (“CFTC”), U.S. Department of Justice (“DOJ”) and Japanese Financial Services Agency (“JFSA”), in connection with their investigations into the Group’s historical London Interbank Offered Rate (“LIBOR”) and Euro Interbank Offered Rate (“EURIBOR”) submission processes. See “Business – Legal and Arbitration Proceedings”. Failure to manage legal risks could have a negative impact on Rabobank Group’s reputation and could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group is exposed to tax risk. If a tax risk materialises, this could have a material adverse effect on the Group’s business, financial condition and results of operations

The 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 the Group’s business, financial condition and results of operations.

The Group is exposed to currency risk. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on the Group’s business, financial condition and results of operations

The Group is an internationally active bank. As such, part of its capital is invested in foreign activities. This gives rise to currency risk, in the form of translation risk. In addition, the trading books are exposed to market risk, in that they can have positions that are affected by changes in the exchange rate of currencies. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on the Group’s business, financial condition and results of operations.

A material change in governmental or regulatory policies, applicable laws and regulations, or in their interpretation or enforcement or other governmental or regulatory actions could have a material adverse effect on the Group's business, financial condition and results of operations

The Group operates in a regulated industry, and is subject to a large number of different laws and regulations in the various jurisdictions in which it operates. Compliance with this complex array of laws and regulations is difficult and requires significant expenditures. Many of the applicable laws and regulations that affect the Group's operations, and the enforcement thereof, have become increasingly complex, stringent and expensive to comply with over time.

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

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

On 1 February 2013, the Dutch state nationalised the Dutch banking and insurance group SNS Reaal. To finance this operation, a special, one-off resolution levy of €1 billion will be imposed on banks based in the Netherlands. The Group's share of the resolution levy will be approximately €320 million and will have an adverse effect on the Group's results of operations in 2014. If further financial institutions are bailed out, additional taxes or levies could be imposed, which may have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

As of 1 July 2013, a personal mortgage loan may not be higher than €290,000 to be eligible for being secured 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*). As of 1 July 2014, this maximum will be reduced to €265,000.

In 2013, the tax deductibility of mortgage loan interest payments for Dutch homeowners has been restricted. As of 1 January 2013, interest payments on new mortgage loans can only be deducted if the loan amortises within 30 years on a linear or annuity basis. Moreover, the maximum permissible amount of a residential mortgage has been reduced from 106% to 105% of the value of the property. This maximum will be further reduced (by 1% each year) to 100% in 2018. Changes in governmental policy or regulation with respect to the Dutch housing market could have a material adverse effect on the Group's business, financial condition and results of operations.

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

In the United Kingdom ("**U.K.**"), the Independent Commission on Banking, chaired by Mr John Vickers, released its Final Report on 12 September 2011. This report recommends that the retail banking activities of banks in the U.K. should be structurally separated, by a 'ring-fence', from wholesale banking and investment banking activities. A similar recommendation was made at European Union ("**EU**") level in the final report (the 'Liikanen Report'), published on 2 October 2012, of the High-level Expert Group on reforming the structure of the EU banking sector under the chair of Mr Erkki Liikanen. In November 2012, the Dutch government established a committee, the 'Commissie Structuur Nederlandse banken', chaired by Mr Herman Wijffels, to investigate the applicability of the Liikanen Report to the Dutch banking sector and the manner in which a defaulting bank might be split up and resolved. The committee delivered its final report on 28 June 2013. The Dutch Parliament still has to decide on how to implement the recommendations included in the so-called 'Wijffels-report'. Adopting the full recommendations in the 'Wijffels-report' could have a material adverse effect on the Group's business, financial condition and results of operations.

The impact of future regulatory requirements such as Basel III (as defined in "Regulation of the Group"), the Capital Requirements Directive and Regulation, Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (such Sections being commonly referred to as 'FATCA'), the framework recovery plan, the Volcker Rule and Vickers report and the Dodd-Frank Act will have far-reaching implications and require implementation of new business processes and models. Compliance with the rules and regulations places ever greater demands on the Group's management, employees and information technology.

If the Group has insufficient capital resources to meet the minimum regulatory capital, liquidity restrictions or liquidity ratios, this could result in administrative actions or sanctions, which may have a material adverse effect on the Group's business, financial condition and results of operations

Although the Group believes that its working capital is sufficient for its present requirements, that is at for at least 12 months following the date of this Prospectus (see "Operating and Financial Review – Working Capital"), the Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Under Basel II, capital requirements are inherently more sensitive to market movements than under previous regimes. Capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse impact on the Group's results of operations. A shortage of available capital may restrict the Group's opportunities for expansion. In the future, capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee on Banking Supervision of the Bank for International Settlements (the "**Basel Committee**") proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements.

On 16 December 2010 and on 13 January 2011, the Basel Committee issued its final guidance on a number of fundamental reforms to the regulatory capital framework (such reforms being commonly referred to as the ‘Basel III reforms’), including new capital requirements, higher capital ratios, more stringent eligibility requirements for capital instruments, a new leverage ratio and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for financial institutions, including building societies.

The reform package will be implemented in the European Economic Area (the “EEA”) through the Capital Requirements Regulation (575/2013) which has been published on 27 June 2013 in the official journal of the EU (the “CRR”) and an associated Capital Requirements Directive (2013/36/EU) which has been published on 27 June 2013 in the official journal of the EU (“CRD IV”). CRR establishes a single set of harmonised prudential rules, which will apply directly to all credit institutions in the EEA with CRD IV containing less prescriptive provisions which will need to be transposed into national law. Implementation will begin from 1 January 2014, with particular requirements being phased in over a period of time, to be fully effective by 2019.

It is possible that the European Commission and/or DNB may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

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

A downgrading in its credit ratings, could have a material adverse effect on the Group’s prospects, business, financial condition and results of operations

The Group’s access to the unsecured funding markets is dependent on its credit ratings. A downgrading or announcement of a potential downgrade in its credit ratings, as a result of a change in industry outlook, sovereign rating, rating methodology or otherwise, could adversely affect the 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 the Group’s prospects, business, financial condition and results of operations.

Any failure by the Group to maintain its competitive position could have a material adverse effect on the Group’s prospects, business, financial condition and results of operations

All aspects of the Group’s business are highly competitive. The 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 the Group to maintain its competitive position could have a material adverse effect on the Group’s prospects, business, financial condition and results of operations.

A deterioration of the geopolitical developments could have a material adverse effect on the Group’s business, financial condition and results of operations

Concerns about geopolitical developments (such as tensions surrounding North Korea and Iran’s nuclear programs), social unrest (such as the continuing turmoil in Syria), oil prices and natural disasters, among other things, can affect the global financial markets. Since the beginning of the 21st century accounting and corporate governance scandals have significantly undermined investor confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on the Group’s business, financial condition and results of operations.

The occurrence of terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events could have a material adverse effect on the 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 and responses to those acts and/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 the Group in ways that cannot necessarily be predicted. The occurrence of any such events could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group’s success depends to a great extent on the ability and experience of its senior management and other key employees, and a loss of these individuals or the failure to recruit suitable managers and other key personnel, could have a material adverse effect on the Group’s business, financial condition and results of operations

The 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 the Group's business, financial condition and results of operations. The failure to attract or retain a sufficient number of appropriate employees could significantly impede the Group's financial plans, growth and other objectives and have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Rabobank Certificates

If the meeting of holders of Current Member Certificates does not approve the Amendment on or around 14 January 2014, the Listing will not take place and there may be no market on which the Current Member Certificates can be effectively traded

On or around 14 January 2014, a meeting of the holders of Current Member Certificates is scheduled to be held to approve the Amendment. On the date of this Prospectus, the Current Member Certificates may pursuant to the Current Terms and Conditions only be traded on an internal market maintained by Rabobank Nederland. On this market, Rabobank Nederland, in its capacity as market maker, may purchase and sell Current Member Certificates in order to balance supply and demand at the established trading price. Until 31 December 2013, Rabobank Nederland may also purchase excess supply on the market up to an amount of €1 billion for its own account with the permission from DNB. In addition, the Current Terms and Conditions contain strict transfer restrictions. An amendment to the Current Terms and Conditions (being the Amendment) is therefore required to enable the Listing to occur.

If the meeting of holders of Current Member Certificates approves the Amendment and certain formalities are satisfied, the Current Member Certificates will be exchanged for Rabobank Certificates, which will be listed on NYSE Euronext Amsterdam and will be included in the book-entry systems of Euroclear and Clearstream, and the internal market for the Current Member Certificates maintained by Rabobank Nederland will cease to exist.

If the meeting of holders of Current Member Certificates does not approve the Amendment, the Current Member Certificates will not be listed and the transfer restrictions applicable to the Current Member Certificates will continue to apply. Although Rabobank Nederland would intend to continue the internal market, it will no longer be allowed to purchase excess supply of Current Member Certificates on that market as treasury stock as it has done in the past (see "Background and Reasons for the Listing"). As a consequence, supply and demand on the internal market may not match, resulting in an illiquid market with unbalanced price-setting. In that case, Current Member Certificates may effectively not be traded on the internal market, meaning that holders of Current Member Certificates may not be able to sell their Current Member Certificates without suffering a loss or liquidate their investment in the Current Member Certificates at all.

Rabobank Certificates may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Rabobank Certificates, the merits and risks of investing in the Rabobank Certificates and the information contained or incorporated by reference into this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Rabobank Certificates and the impact the Rabobank Certificates will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Rabobank Certificates;
- understand thoroughly the terms of the Rabobank Certificates and be familiar with the behaviour of any relevant financial markets; and
- 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.

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) Rabobank Certificates are legal investments for it, (ii) Rabobank Certificates can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Rabobank Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Rabobank Certificates under any applicable risk-based capital or similar rules.

The decision whether payments or other distributions are made on the Rabobank Certificates, the amount of any such payments and the date of payments is at the discretion of the Executive Board and subject to certain conditions. In case of non- or partial payment, holders of Rabobank Certificates have no compensation rights, cannot petition for bankruptcy and do not have a right to repayment of the nominal amount of the Rabobank Certificates

The executive board (*raad van bestuur*) of Rabobank Nederland (the “**Executive Board**”) may at its discretion decide not to make any payments on the Rabobank Participations or only to make partial payments. The Executive Board may also at its discretion decide on which dates Rabobank Nederland makes payments on the Rabobank Participations. Payments not made are non-cumulative and will not be made on a subsequent Intended Payment Due Date (as defined in “Payments and Participation Rules”) or on any other date. To the extent that no payments or other distributions on the Rabobank Participations are made, no payments or other distributions will be made on the Rabobank Certificates.

Rabobank Nederland will in any event not make any payment in respect of the Rabobank Participations on an Intended Payment Due Date or at any other time if (i) it has no ‘distributable items’, within the meaning of CRR, or (ii) it has not obtained a declaration of no-objection from, or if a payment is otherwise prohibited by, DNB (or any other authority charged with supervision of the liquidity and solvency of credit institutions), all in accordance with the legislation then applicable to Rabobank Nederland.

If there is no Reference Loan (as defined in “Payments and Participation Rules”), an Alternative Reference Loan (as defined in “Payments and Participation Rules”) must be used when calculating amounts for payment. This may have a detrimental effect on the amount of the payment. For further details, see “Payments and Participation Rules”.

In the case of non- or partial payment, holders of Rabobank Participations and holders of Rabobank Certificates have no recovery rights against either Rabobank Nederland or Stichting AK Rabobank. This means that holders of Rabobank Participations and Rabobank Certificates do not have any compensation rights, cannot petition for the bankruptcy of either Rabobank Nederland or Stichting AK Rabobank and do not have a right to repayment of the nominal amount of the Rabobank Certificates.

Rabobank Nederland may in the future seek to raise capital by conducting equity offerings, which may result in lower or no payments or other distributions on the Rabobank Certificates. The issue of any such additional equity may result in there being an insufficient amount available to satisfy the amounts owing to holders of Rabobank Certificates in case of a winding-up of Rabobank Nederland

Rabobank Nederland may in the future require additional capital to fund its business operations or its internal or external growth. The raising of additional equity could result in a larger number of holders of securities which share in the profits of Rabobank Nederland which could result in lower or no payments or other distributions on the Rabobank Certificates. The issue of any such additional equity may reduce the amount recoverable by holders of the Rabobank Certificates on a winding-up of Rabobank Nederland. Accordingly, in the event of a winding-up of Rabobank Nederland and after the payment of the claims of senior creditors and of depositors, there may be an insufficient amount to satisfy the amounts owing to holders of Rabobank Certificates.

An amendment to the Rabobank Nederland Articles or the Participation Rules, which may affect the position of the holders of Rabobank Certificates, does not require the consent of the holders of Rabobank Certificates as the holders of Rabobank Certificates carry no right to attend or vote at the General Meeting

The rights associated with the Rabobank Participations are determined by the articles of association of Rabobank Nederland (the “**Rabobank Nederland Articles**”), in particular Article 18 of the Rabobank Nederland Articles, and the rules which describe the rights and conditions that apply to the Rabobank Participations as they are anticipated to be in effect upon Listing (*Rabobank participatiereglement*) (Annex IV to this Prospectus) which are expected to be approved by the Executive Board on 17 December 2013, subject to the approval of the supervisory board (*raad van commissarissen*) of Rabobank Nederland (the “**Supervisory Board**”) (the “**Participation Rules**”). An amendment to the Rabobank Nederland Articles or the Participation Rules may involve a change to the rights and obligations associated with the Rabobank Participations or a change to the character of the Rabobank Participations. For example, any changes to legislation or any other interpretation thereof at a European or national level in relation to capital requirements for banks may result in amendment of the rules governing the Rabobank Participations.

The Rabobank Participations carry no rights for holders to attend or vote at the general meeting of members of Rabobank Nederland (*algemene ledenvergadering*) (the “**General Meeting**”). An amendment to the Rabobank Nederland Articles or the Participation Rules and thus a change to the rights and obligations associated with the Rabobank Participations, does not require the consent of the holders of Rabobank Participations or Rabobank Certificates. For the amendment of the Participation Rules, see “–The decision whether payments or other distributions are made on the Rabobank Certificates, the amount of any such payments and the date of payments is at the discretion of the Executive Board and subject to certain conditions. In case of non- or partial

payment, holders of Rabobank Certificates have no compensation rights, cannot petition for bankruptcy and do not have a right to repayment of the nominal amount of the Rabobank Certificates.”

Any change to the character of the Rabobank Participations or the rights and obligations associated with them, may result in a corresponding change to the Rabobank Certificates, which could be detrimental to the holders thereof.

Rabobank Certificates and corresponding claims cannot be validated (geverifieerd) and are not subject to set-off

The Rabobank Participations and the Rabobank Certificates cannot be submitted or validated (*geverifieerd*) in court settlements or out-of-court settlements, insolvency proceedings, emergency regulations as referred to in Section 3:160 FMSA or in similar situations in a jurisdiction other than the Netherlands and cannot be set-off.

The Rabobank Certificates are issued for an indefinite period. The Rabobank Participations and the Rabobank Certificates are, together with the Shares, the most deeply subordinated capital of Rabobank Nederland. Upon dissolution of Rabobank Nederland, holders of Rabobank Certificates could receive less than they have invested in the Rabobank Certificates

The Rabobank Participations and the Rabobank Certificates are issued for an indefinite period. Subject to the exceptions mentioned below, any potential investor in the Rabobank Participations or the Rabobank Certificates has no claim for repayment of the nominal value of the Rabobank Participations or the Rabobank Certificates.

Subject to any amendment of the Rabobank Nederland Articles as referred to in “–An amendment to the Rabobank Nederland Articles or the Participation Rules, which may affect the position of the holders of Rabobank Certificates, does not require the consent of the holders of Rabobank Certificates as the holders of Rabobank Certificates carry no right to attend or vote at the General Meeting”, the nominal value of each Rabobank Participation will be repaid in respect of each Rabobank Participation in the event of (i) the dissolution of Rabobank Nederland, after all creditors have been paid, and (ii) cancellation of the Rabobank Participations in accordance with Article 18(12) of the Rabobank Nederland Articles, subject to the prior permission from DNB. DNB can attach conditions to such permission.

If Rabobank Nederland is dissolved, the nominal value of each Rabobank Participation may be repaid on every Rabobank Participation only after all creditors are paid. If the remaining capital of Rabobank Nederland is insufficient to repay all Rabobank Participations and all Shares (as defined in “Group Structure”), an amount shall be repaid on each Rabobank Participation and each Share on a *pro rata* basis according to the total nominal amount of the outstanding Rabobank Participations and outstanding Shares, respectively. If Rabobank Nederland’s capital shows a deficit as a result of which a claim for repayment on the Rabobank Participations cannot be settled, this deficit will not be compensated under the cross guarantee scheme (see “Summary Description of Rabobank Certificates – Rabobank Participations – No application of cross guarantee scheme”). As a result, it is possible that, upon the dissolution of Rabobank Nederland, a holder of the Rabobank Participations (and consequently a holder of Rabobank Certificates) may receive nothing.

In addition, the Rabobank Participations or the Rabobank Certificates do not limit Rabobank Nederland’s ability or the ability of any entity in the Group to incur additional indebtedness, including indebtedness that ranks ahead of the Rabobank Participations and the Rabobank Certificates in respect of priority of payment. The Rabobank Participations and the Rabobank Certificates are, together with the Shares (as defined in “Group Structure”), the most deeply subordinated capital of Rabobank Nederland.

Current and future Dutch, European or any other applicable legislation may result in the Rabobank Certificates being cancelled or expropriated without any compensation for the holders of Rabobank Certificates

Current and future Dutch, European or any other applicable legislation may result in the Rabobank Participations and the Rabobank Certificates being cancelled or expropriated without any compensation for the holders of Rabobank Participations or Rabobank Certificates. See “– Application of the Intervention Act may affect the rights and effective remedies of holders of the Rabobank Certificates as well as their market value” and “Regulation of the Group”. A proposal for a directive establishing a framework for recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**”) was proposed by the European Commission on 6 June 2012. The European Parliament, European Council and the European Commission reached an agreement on the Bank Recovery and Resolution Directive on 12 December 2013. This political agreement is still subject to technical finalisation and formal approval by the European Parliament and the European Council. The agreed version of the Bank Recovery and Resolution Directive includes a bail-in tool that would enable the cancellation of capital instruments, such as the Rabobank Certificates, which Rabobank Nederland believes qualify as common equity tier 1 as set out in CRR.

Application of the Intervention Act may affect the rights and effective remedies of holders of the Rabobank Certificates as well as their market value

On 13 June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) (“**Intervention Act**”) entered into force and amended the FMSA and the Dutch Bankruptcy Act (*Faillissementswet*). Pursuant to the Intervention Act, DNB has the power to take various measures in respect of banks and insurance companies if it perceives a dangerous development regarding the entity’s own funds, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. The possible measures available to DNB include preparing and effecting the transfer of deposits, other assets and liabilities and/or shares of the entity to a third party, each with a view to the timely and efficient liquidation of the entity. Rabobank Certificates could qualify as shares within the meaning of the Intervention Act. DNB can prepare a ‘transfer plan’ for this purpose. If DNB notifies the relevant entity of its preparation of such a plan, then following such notification, the entity must provide various information and access to DNB, the entity and its corporate bodies must cooperate in the preparation of the transfer plan and DNB can appoint a special receiver. The intervention will only be made public after approval of the transfer plan by the Amsterdam district court. The entity itself and holders of more than 5% of the shares in the entity will be given the opportunity to express their views regarding the proposed measures in court, provided there are no confidentiality or timing concerns. In the case of Rabobank Nederland, the threshold of 5% of the shares would be calculated as a percentage of the total number of the Rabobank Certificates and the Shares (as defined in “Group Structure”) held by the independent local Dutch banks that are members of Rabobank Nederland and that are banking cooperatives in their own right (“**Local Rabobanks**”).

In addition, under the Intervention Act the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets or securities issued by or with the consent of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister of Finance’s opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the entity finds itself. In taking these measures, provisions in relevant Dutch legislation and the entity’s articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with 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 NYSE 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. Holders of Rabobank Certificates may be affected by any such measure taken by the Ministry of Finance to expropriate Rabobank Certificates and suspend or terminate their listing.

The application of the Intervention Act may affect the rights and effective remedies of holders of the Rabobank Certificates as well as their market value.

A significant number of Rabobank Certificates and the voting rights in the meeting of holders of Rabobank Certificates could be concentrated in the hands of one or more major holder(s) of Rabobank Certificates. Such major holders of Rabobank Certificates may have significant influence over the outcome of matters at the meeting of holders of Rabobank Certificates to the detriment of other holders of Rabobank Certificates and such holders’ interests may not always be aligned with the interests of the other holders of Rabobank Certificates. Future sales of Rabobank Certificates, or the possibility thereof, by such major holders of Rabobank Certificates could further have a material adverse effect on the market price and volatility of the Rabobank Certificates.

Following the Listing and the expected increased trading liquidity created by the Listing (as described in “Background and Reasons for the Listing”), it is possible that a significant number of Rabobank Certificates and the voting rights in the meeting of holders of Rabobank Certificates could be concentrated in the hands of one or more major holder(s) of Rabobank Certificates. Consequently, such major holders of Rabobank Certificates may be in a position to exert significant influence over or determine the outcome of all matters requiring approval of the meeting of holders of Rabobank Certificates, though the meeting of holders of Rabobank Certificates is only entitled to vote on a limited number of matters (see “Summary Description of Rabobank Certificates”). The interests of such major holders of Rabobank Certificates may differ from the interests of other holders of Rabobank Certificates. As a result, the major holders of Rabobank Certificates may effect certain transactions without the support of other holders of Rabobank Certificates, or delay or prevent certain transactions that are in the interests of other holders of Rabobank Certificates.

The market price of the Rabobank Certificates may decline if the major holders of Rabobank Certificates use their influence in the meeting of holders of Rabobank Certificates in ways that are adverse to other holders of Rabobank Certificates. In addition, securities with smaller free floats tend to be more volatile than those with larger free floats. Finally, if such major holders of Rabobank Certificates should decide to sell their Rabobank Certificates or a large portion thereof, or if there is a perception by the market that such a sale will or could occur, this could have a material adverse effect on the market price and volatility of the Rabobank Certificates.

No assurance can be given with respect to a change of law after the date of this Prospectus

The Terms and Conditions of the Rabobank Certificates are based on the laws of the Netherlands in effect at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch, European or any other applicable laws, regulations or administrative practices after the date of this Prospectus. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by Rabobank Nederland, including the Rabobank Certificates. Such tools may include the ability to write-off sums otherwise payable on such securities at a time when Rabobank Nederland is no longer considered viable by its regulator or upon the occurrence of another trigger.

Investors are exposed to exchange rate risks and exchange controls if their financial investment's principal currency is not the euro

If payments are made on the Rabobank Certificates, they will be made in euros and at the discretion of the Executive Board. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the 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 Rabobank Certificates, (ii) the Investor's Currency-equivalent value of the principal payable on the Rabobank Certificates and (iii) the Investor's Currency-equivalent market value of the Rabobank Certificates. If the Rabobank Certificates are denominated in a currency other than the currency of the country in which the holder of Rabobank Certificates is resident, the holder of Rabobank Certificates is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The holder of Rabobank Certificates may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Rabobank Certificates is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less or no payments.

The market price of the Rabobank Certificates may fluctuate and may decline below the nominal amount and trading in the Rabobank Certificates may be very limited which might lead to holders of Rabobank Certificates not being able to sell their Rabobank Certificates at or above the initial market price or at all

On the date of this Prospectus, the Rabobank Certificates are not listed or admitted to trading on a regulated market. When listed, there can be no assurance that an active trading market for the Rabobank Certificates will develop or, if it does develop, that it will be sustained or that it will be liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Rabobank Certificates, as well as increase their price volatility. In addition, an illiquid market for the Rabobank Certificates may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Rabobank Certificates.

The nominal amount of the Rabobank Certificates may not be indicative of their market price after the Listing has been completed. The market price of the Rabobank Certificates could also fluctuate substantially due to various factors, some of which could be specific to the Group and its operations and some of which could be related to the industry in which the Group operates and equity markets generally. As a result of these and other factors, the Rabobank Certificates may trade at prices significantly below their nominal amount, regardless of the Group's actual operating performance.

Future sales or the possibility of future sales, of a substantial number of Rabobank Certificates could depress the market price of the Rabobank Certificates

The market price of the Rabobank Certificates could decline if, following the Listing, substantial numbers of Rabobank Certificates are sold in the public market or if there is a perception that such sales could occur. In addition, this could make it more difficult for Rabobank Nederland to raise capital through the issuance of equity securities in the future.

Holders of Rabobank Certificates may be confronted with unknown costs charged by investment firms for their service provision

Holders of Rabobank Certificates may be charged by their investment firms with costs relating to the services that are provided in respect of the Rabobank Certificates (and other securities). The actual costs are expected to vary across different investment firms and can be amended at the discretion of each investment firm. Holders of Rabobank Certificates may therefore be confronted with unknown costs charged by their investment firms for their service provision.

IMPORTANT INFORMATION

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Rabobank Certificates, to consider such investment decision in light of the prospective investor's personal circumstances, and in order to determine whether or not such prospective investor is eligible to subscribe for the Rabobank Certificates.

Potential investors should rely only on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Section 5:23 FMSA. Rabobank Nederland does not undertake to update this Prospectus, unless pursuant to Section 5:23 FMSA, and therefore potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus.

This Prospectus will be published in English only. Terms used in this Prospectus are defined in "Definitions".

General and Responsibility Statement

This Prospectus is made available by Rabobank Nederland. Rabobank Nederland accepts responsibility for the information contained in this Prospectus. Rabobank Nederland declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

The Rabobank Certificates have not been and will not be registered under the U.S. Securities Act, and subject to certain exceptions, may not be offered, sold or delivered within the U.S.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of Rabobank Nederland or any manager, underwriter, distributor or placement agent to purchase any of the Rabobank Certificates. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by Rabobank Nederland and any manager, underwriter, distributor or placement agent to inform themselves about and to observe any such restrictions.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Rabobank Nederland or any manager, underwriter, distributor or placement agent. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of Rabobank Nederland since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of Rabobank Nederland since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Rabobank Certificates 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.

No manager, underwriter, distributor, placement agent or any other person other than Rabobank Nederland has separately verified the information contained in this Prospectus. Accordingly, any such manager, underwriter, distributor, placement agent or other person makes no representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are or should be considered as a recommendation by Rabobank Nederland or any manager, underwriter, distributor or placement agent that any recipient of this Prospectus or any other financial statements should purchase the Rabobank Certificates. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Rabobank Certificates. Although the Group believes that the risks and uncertainties described in the section headed "Risk Factors" in this Prospectus are the material risks and uncertainties facing the Group's business and the Rabobank Certificates, additional risks and uncertainties not presently known to the Group or that the Group currently deems immaterial could also have a material adverse effect on the Group's business, results of operations, financial condition or prospects and could negatively affect the price of the Rabobank Certificates. Each potential purchaser of Rabobank Certificates should determine for itself the relevance of the information contained in this Prospectus and its purchase of Rabobank Certificates should be based upon such investigation as it deems necessary.

Deutsche Bank AG, London Branch (with its address at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) has been engaged by Rabobank Nederland to act solely as the Paying Agent and Common Depositary. Its activities consist of paying sums due on the Rabobank Certificates and holding the Rabobank Certificates in custody through a nominee for the account of Euroclear and Clearstream. The Paying Agent and Common Depositary are acting for Rabobank Nederland only and will not regard any other

person as their client in relation to the Rabobank Certificates. Neither the Paying Agent and Common Depositary nor any of their directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference into this Prospectus, in any investor report or for any other statements made or purported to be made either by themselves or on their behalf in connection with Rabobank Nederland or the Rabobank Certificates. Accordingly, the Paying Agent and Common Depositary disclaim all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

Potential Conflict of Interest

The Paying Agent and Common Depositary and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Rabobank Nederland and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Paying Agent and Common Depositary 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 Rabobank Nederland or Rabobank Nederland's affiliates. In respect of the above, the sharing of information will generally be restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). As a result of these transactions, the Paying Agent and Common Depositary may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Rabobank Certificates or Transitional Certificates (as defined in "Background and Reasons for the Listing"), or with the interests of the Group.

Presentation of Financial and Other Information

IFRS information

This Prospectus includes or incorporates by reference (i) the audited consolidated financial statements (including the notes and independent auditor's report) of the Group for the years ended 31 December 2010, 31 December 2011 and 31 December 2012, and (ii) the unaudited condensed consolidated interim financial information for the six-month periods ended 30 June 2013. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with Part 9 of Book 2 of the DCC.

Unaudited information

The financial data in the (sub) paragraphs in this Prospectus marked with an asterisk (*) have not been directly extracted from the audited financial statements but instead are unaudited and derived from the condensed consolidated interim financial information or accounting records of Rabobank Nederland, unless otherwise stated. The unaudited condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 as adopted by the European Union.

IAS 19 (Employee benefits) was amended in June 2011 and became effective as IAS19R as of 1 January 2013 (the "Revised IAS 19"). The statement of financial position for the year-end 2012 included in the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2013 has been restated in accordance with Revised IAS 19. The statement of financial position for the year-end 2012 as included in the audited consolidated financial statements of the Group for the year ended 2012 was not restated. The restated statement of financial position is included in this Prospectus.

Rounding and negative amounts

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in the text or a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

All references in this Prospectus to "euro", "EUR" or "€" are to the official currency of the member states of the European Economic and Monetary Union. All references to "pounds sterling", "GBP" or "£" are to the lawful currency of the U.K. All references to "US dollars", "US\$", "USD" or "\$" are to the lawful currency of the U.S. All references to "Japanese yen", "JPY" or "¥" are to the lawful currency of Japan.

Market and Industry Information

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts of publicly available information or the Group's own knowledge of its sales and markets.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Group believes these sources are reliable, the Group does not have access to the information, methodology and other bases for such information and has not independently verified the information. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, the Group makes certain statements regarding its competitive and market position. The Group believes these statements to be true, based on market data and industry statistics, but the Group has not independently verified the information. The Group cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Group's.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Rabobank Certificates arises or is noted prior to the Listing, a supplement to this Prospectus will be published. Such supplement will need to be approved by the AFM in accordance with Section 5:23 FMSA. The Listing may be postponed in such case.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference into this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

Notice to Investors

The distribution of this Prospectus and the trade in the Rabobank Certificates may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This Prospectus is not published in connection with and does not constitute an offer of securities by or on behalf of Rabobank Nederland. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Rabobank Certificates. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

Forward-Looking Statements

This Prospectus contains forward-looking statements that reflect Rabobank Nederland's intentions, beliefs or current expectations and projections about the Group's future result of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements involve all matters that are not historical facts. Rabobank Nederland has tried to identify forward-looking statements by using words such as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "objective", "potential", "goal", "strategy", "target", "continue", "annualised" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

Investors or potential investors should not place undue reliance on the forward-looking statements in this Prospectus. The Group urges investors to read the sections of this Prospectus entitled "Risk Factors", "Business" and "Operating and Financial Review" for a more complete discussion of the factors that could affect the Group's future performance and the markets in which the Group operates. In light of the possible changes to the Group's beliefs, assumptions and expectations, the forward-looking events described in this Prospectus may not occur. Additional risks not known to the Group or that the Group has not considered material as of the date of this Prospectus could also cause the forward-looking events discussed in this Prospectus not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Group undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

BACKGROUND AND REASONS FOR THE LISTING

As of the date of this Prospectus, a total of 237,961,365 Current Member Certificates issued by Stichting AK Rabobank are outstanding. These Current Member Certificates represent 237,961,365 Rabobank Participations issued by Rabobank Nederland to Stichting AK Rabobank. Assuming that the Amendment is approved by the holders of Current Member Certificates, the Current Member Certificates will be exchanged for Rabobank Certificates on or around 24 January 2014 and the Listing will take place on or around 27 January 2014.

The Current Member Certificates may only be held by certain qualified and admitted persons in accordance with the Current Terms and Conditions. The Current Member Certificates are traded on an 'internal market' maintained by Rabobank Nederland.

Background and Reasons for the Listing

Until about February 2013, supply and demand on the internal market for the Current Member Certificates generally matched. When subsequently, supply increased and demand dropped as a result of the sovereign debt crisis and market circumstances and as part of Rabobank Nederland's customer care programme, Rabobank Nederland took the opportunity to purchase those Current Member Certificates for which no buyers were available. In October 2012, DNB gave Rabobank Nederland permission to acquire and hold in treasury Current Member Certificates up to an amount of €1 billion. In August 2013, Rabobank Nederland announced that it had obtained DNB's further approval to permanently cancel €1 billion of the Current Member Certificates which it held in treasury following such purchases. As the Current Member Certificates cancelled pursuant to this permission do not count towards the €1 billion threshold of Current Member Certificates which Rabobank Nederland is permitted to hold in treasury, this effectively increased the amount of Current Member Certificates which Rabobank Nederland could acquire to €2 billion. Generally, until about the end of October 2013, the excess supply of Current Member Certificates had been in line with Rabobank Nederland's expectations. However, an increase in the supply of Current Member Certificates on the internal market occurred following the announcement by the Group on 29 October 2013 of its settlement resulting from the LIBOR-related investigations (see "Business – Legal and Arbitration Proceedings"). On 6 November 2013, Rabobank Nederland cancelled 40 million Current Member Certificates, which represented a total nominal amount of €1 billion.

In a press release dated 3 December 2013, Rabobank Nederland announced its plan to list the Current Member Certificates on a stock exchange (in the form of the Rabobank Certificates described in this Prospectus). By listing the Current Member Certificates in the form of Rabobank Certificates, Rabobank Nederland aims to broaden the investor base for the Rabobank Certificates and enhance their liquidity by facilitating trading through NYSE Euronext Amsterdam. Application has been made to list all Rabobank Certificates with ISIN XS1002121454 and common code 100212145 on NYSE Euronext Amsterdam. The Rabobank Certificates will be traded as a percentage of their nominal amount.

In addition, in the same press release, Rabobank Nederland announced that it had made the Current Member Certificates that it had purchased on the internal market available to institutional investors. In order to make the Current Member Certificates available to institutional investors, Rabobank Nederland has transferred 7.56% of the Current Member Certificates held by it in treasury to Stichting AK Rabobank Certificaten II (a newly established Dutch foundation) ("**Stichting AK Transitional Certificates**"). In exchange for such transfer, Stichting AK Transitional Certificates has issued freely transferable certificates, with a nominal amount of €25.00 each to Rabobank Nederland (the "**Transitional Certificates**"), which represent the Current Member Certificates. Stichting AK Transitional Certificates will issue further Transitional Certificates in respect of any additional Current Member Certificates which are transferred to it by Rabobank Nederland. Rabobank Nederland expects to be able to sell at least a total of 60 million of those Transitional Certificates to a third party institution. These Transitional Certificates merely represent the Current Member Certificates held by Stichting AK Transitional Certificates and have substantially similar terms to the Current Member Certificates, except that they are freely transferable and are cleared through Euroclear and Clearstream. The Transitional Certificates are intended to be a transitional security only. They will be exchanged for freely transferrable Rabobank Certificates on or around 24 January 2014 if the Amendment is approved. See "Summary Description of the Transitional Certificates" for further information regarding the Transitional Certificates.

In connection with making the Current Member Certificates available to institutional investors, Rabobank Nederland entered into a purchase and distribution agreement on 2 December 2013 with a third party institution under which, subject to certain conditions, Rabobank Nederland may sell Transitional Certificates or, following the Listing, Rabobank Certificates, at a purchase price to be agreed between the parties from time to time, based on market conditions at the time of the purchase and market practice for transactions of a similar nature. The third party institution may thereafter sell the Transitional Certificates or, following the Listing, Rabobank Certificates, acquired by it under the agreement to further investors (which may include affiliates of the third party institution). The third party institution will receive a fee for its selling efforts.

Last Trading Day

In its press release of 3 December 2013, Rabobank Nederland also announced that the trading day on the internal market scheduled for 2 January 2014 would be brought forward to 30 December 2013 (with the last time to submit orders for this trading day being 23 December 2013, 9:00 am CET). At this last trading day, it will be possible to dispose of or acquire Current Member Certificates on the internal market. This will be the last trading day on which Rabobank Nederland is allowed to acquire Current Member Certificates on the internal market for which no buyers are available.

Following the Listing, Rabobank Nederland intends to engage in customary market making activities on NYSE Euronext Amsterdam in order to enhance liquidity in the trading of the Rabobank Certificates in line with its current market making activities for certain other securities issued by Rabobank Nederland.

Amendment

On or around 14 January 2014, a meeting of the holders of Current Member Certificates (including those held by Stichting AK Transitional Certificates) will be held to approve the Amendment in order to align the Current Terms and Conditions with the terms and conditions of the Transitional Certificates (such that they become freely transferable within Euroclear and Clearstream) and to permit the Listing of the Current Member Certificates as Rabobank Certificates. At this meeting, a resolution will be validly adopted by a majority of the votes cast by the holders of Current Member Certificates being present or represented, if the proposal has been unanimously recommended by the board of Stichting AK Rabobank and the proposal has been unanimously approved by the board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten. If the Amendment is approved the Current Member Certificates will be exchanged for Rabobank Certificates with the features described in this Prospectus and the Listing shall occur.

If the meeting of holders of Current Member Certificates approves the Amendment and certain formalities are satisfied, the Listing shall occur. Stichting AK Transitional Certificates is expected to vote in favour of the Amendment. If the Amendment is approved, all Current Member Certificates, including the Current Member Certificates held by Stichting AK Transitional Certificates, will be cancelled against the issuance of the same amount of Rabobank Certificates to the nominee of the Common Depository for inclusion in the book-entry systems of Euroclear and Clearstream and each holder of Current Member Certificates will be credited in its securities account for the same amount of Rabobank Certificates as the amount of Current Member Certificates held by that respective holder directly prior to the exchange. Upon inclusion of the Rabobank Certificates in the book-entry systems of Euroclear and Clearstream, the administration of the Transitional Certificates by Stichting AK Transitional Certificates will be terminated and the Rabobank Certificates held by Stichting AK Transitional Certificates will be delivered to the holders of Transitional Certificates against cancellation of those Transitional Certificates. As a result there will be a single class of certificates representing Rabobank Participations, which will be listed on NYSE Euronext Amsterdam.

If the meeting of holders of Current Member Certificates does not approve the Amendment, the Listing will not occur and two classes of certificates will remain outstanding: (i) the Current Member Certificates, which are subject to their existing strict transfer restrictions, and due to them not being listed, may effectively not be traded on the internal market as Rabobank Nederland will no longer purchase excess supply of Current Member Certificates; and (ii) the Transitional Certificates, which are freely transferable in over-the-counter transactions cleared through Euroclear and Clearstream.

Expected Timetable

In summary, the relevant dates that the holders of Current Member Certificates should take into account until the Listing are the following:

Last day to submit orders for the last trading day on the internal market	23 December 2013 (until 9:00 am CET)
Last trading day of Current Member Certificates on the internal market	30 December 2013
Meeting of holders of Current Member Certificates	14 January 2014
Delivery of Rabobank Certificates to holders of Current Member Certificates against cancellation of Current Member Certificates	24 January 2014
Delivery of Rabobank Certificates to holders of Transitional Certificates against cancellation of Transitional Certificates	24 January 2014
First trading day of the Rabobank Certificates on NYSE Euronext Amsterdam	27 January 2014

Rabobank Nederland may adjust the dates given in the above timetable and throughout this Prospectus, which are indicative only. If Rabobank Nederland should decide to do so, it will make this public through a press release, which will be published on Rabobank Nederland's website. Any other material alterations will be published in a press release on Rabobank Nederland's website and in a supplement to this Prospectus (if required pursuant to Section 5:23 FMSA).

Rabobank Nederland does not consider the approval of the Amendment by the meeting of holders of Current Member Certificates scheduled on or around 14 January 2014 to constitute a significant new factor, which would require the publication of a supplement to this Prospectus within the meaning of Section 5:23 FMSA.

Use of Proceeds

Rabobank Nederland will not receive any proceeds in connection with the Listing. Rabobank Nederland anticipates that the expenses for the Listing will amount to approximately €1.2 million assuming that the maximum number of 237,961,365 Rabobank Certificates will be listed.

Listing and Amsterdam Paying Agent

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) will act as the Listing and Amsterdam Paying Agent with respect to the Rabobank Certificates on NYSE Euronext Amsterdam.

Paying Agent and Common Depositary

Deutsche Bank AG, London Branch will act as the Paying Agent and Common Depositary with respect to the Rabobank Certificates.

SUMMARY DESCRIPTION OF RABOBANK CERTIFICATES

This section summarises certain information concerning the Rabobank Certificates and certain material provisions of the Rabobank Nederland Articles, the draft articles of Stichting AK Rabobank dated 11 December 2013 (the “**Stichting Articles**”) and the Terms and Conditions as each is anticipated to be in effect upon Listing.

On or around 14 January 2014, a meeting of holders of Current Member Certificates will be held to approve the Amendment. If the meeting approves the Amendment, the Terms and Conditions will be amended to align them with the terms and conditions included as Annex II to this Prospectus. The current articles of Stichting AK Rabobank (the “**Current Stichting Articles**”) will be amended to align them with the Stichting Articles.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Rabobank Nederland Articles, the Stichting Articles, the Participation Rules, the Terms and Conditions and the relevant provisions of Dutch law as in force on the date of this Prospectus.

The Stichting Articles, the Terms and Conditions, Article 18 of the Rabobank Nederland Articles, and the Participation Rules are included as Annexes I, II, III and IV, respectively, to this Prospectus.

This section is written as if the Amendment has taken place, meaning (i) that the Current Terms and Conditions have been amended to align them with the Terms and Conditions, and (ii) the Current Stichting Articles have been amended to align them with the Stichting Articles, as both are anticipated to be in effect upon Listing. The features of the Rabobank Certificates described below therefore assume that the Current Member Certificates have been exchanged for Rabobank Certificates.

A summary of the differences between the features of the Current Member Certificates and the Rabobank Certificates, including the related governance structure of Stichting AK Rabobank is included as Annex V to this Prospectus.

Certification

All issued and outstanding Rabobank Participations have been acquired and are currently held by Stichting AK Rabobank. Stichting AK Rabobank has issued Rabobank Certificates for the Rabobank Participations subject to the Terms and Conditions whereby Stichting AK Rabobank has issued one Rabobank Certificate for each Rabobank Participation acquired by it. Holders of Rabobank Certificates cannot exercise any rights against Rabobank Nederland.

As the Rabobank Certificates are derived from the Rabobank Participations, the features of the Rabobank Participations and the rights of the holders of the Rabobank Participations, particularly any rights to payments and other distributions (see “Payments and Participation Rules”), extend to the Rabobank Certificates and the rights of the holders of the Rabobank Certificates, respectively. For a description of the Rabobank Participations and the rights attached to the Rabobank Participations, see “– Rabobank Participations” below.

Rabobank Certificates

As of the date of this Prospectus, 237,961,365 Rabobank Certificates are outstanding, which as of the date of this Prospectus comprise Current Member Certificates. Each Rabobank Certificate has a nominal amount of €25.00 each.

The following table sets forth the number of Rabobank Certificates, which as of the date of this Prospectus are still Current Member Certificates, issued by Stichting AK Rabobank as of 31 December 2012, 2011 and 2010. As of the date of this Prospectus a total of 41,125,410 Current Member Certificates are held by Rabobank Nederland with a total book value of €1,028,135,250.

	Year ended 31 December 2012		Year ended 31 December 2011		Year ended 31 December 2010 ¹	
	Number outstanding	Amount outstanding (in €)	Number outstanding	Amount outstanding (in €)	Number outstanding	Amount outstanding (in €)
Rabobank Certificates	277,961,365 ²	6,949,034,125 ²	268,961,365 ³	6,724,035,125 ³	-	-

(1) The Current Member Certificates were issued to RLC N.V. on 30 September 2011 followed by the conversion of the depositary receipts for shares in RLC N.V. into the Current Member Certificates on 6 October 2011 to ensure that the capital raised with the Current Member Certificates qualified as tier 1 capital. As of 31 December 2010, 255,069,080 depositary receipts for shares in RLC N.V. were outstanding, representing €6,376,727,000.

(2) Excluding the Current Member Certificates held by Rabobank Nederland, the total number of Current Member Certificates as of 31 December 2012 was 266,897,622 (€6,672,440,550).

(3) Excluding the Current Member Certificates held by Rabobank Nederland, the total number of Current Member Certificates as of 31 December 2011 was 266,577,801 (€6,664,445,025).

Form and transfer

The Rabobank Certificates are in registered form. The Rabobank Certificates are registered in the name of a nominee of the Common Depository, and are represented by a Global Proof of Ownership held in custody by the Common Depository on behalf of Euroclear and Clearstream. Stichting AK Rabobank keeps a register of the Rabobank Certificates. The nominee of the Common Depository is the sole registered holder named in the register.

The Rabobank Certificates are included in the book-entry systems of Euroclear and Clearstream. The Rabobank Certificates are freely transferable in accordance with the Terms and Conditions. Transfers can be made through Euroclear and Clearstream via book-entry transfers. The same applies to the establishment or transfer of a right of pledge or usufruct on the Rabobank Certificates. The Rabobank Certificates can only be transferred in positive integral numbers, with a minimum transfer amount of one Rabobank Certificate.

Payments and other distributions

Stichting AK Rabobank shall distribute any payments and other distributions received by it on the Rabobank Participations to the Paying Agent for the account of the nominee of the Common Depository who will distribute the relevant amounts to Euroclear and Clearstream for their participants in accordance with Euroclear and Clearstream's customary procedures. Each payment of any such distributions shall be made to, or to the order of, the person whose name is entered on the register at the close of business on the record date, which shall be the Clearing System Business Day immediately prior to the date of payment, where "**Clearing System Business Day**" means Monday to Friday inclusive, except for 25 December and 1 January. The participants of Euroclear and Clearstream will thereafter credit the accounts of the ultimate holders of Rabobank Certificates in accordance with their customary procedures. See "Payments and Participation Rules".

Any claim for payment of distributions shall become due in the same amount and on the same dates as payments of distributions on the underlying Rabobank Participations. Stichting AK Rabobank shall instruct payments of distributions on the Rabobank Certificates upon receipt of the distributions on the underlying Rabobank Participations.

Voting rights

The Rabobank Certificates do not confer upon holders the right to vote at a General Meeting, nor do they confer the right to attend any such General Meeting. They do, however, confer the right to vote at the meeting of holders of Rabobank Certificates.

A meeting of holders of Rabobank Certificates will be held each year within six months after the end of the financial year of Rabobank Nederland. At this meeting, Stichting AK Rabobank shall give a presentation summarising the report given to it by Rabobank Nederland regarding its management during the last financial year and, in particular, its policy regarding the distributions on the Rabobank Participations. Stichting AK Rabobank may furthermore convene a meeting of holders of Rabobank Certificates as frequently as it considers to be necessary or desirable.

Amendment of the Terms and Conditions

Stichting AK Rabobank may amend the Terms and Conditions subject to the prior approval of Rabobank Nederland and the meeting of holders of Rabobank Certificates. A resolution of the meeting of holders of Rabobank Certificates approving an amendment to the Terms and Conditions may only be validly adopted at a meeting at which at least two-thirds of the nominal amount of the Rabobank Certificates outstanding is represented and with a majority of at least two-thirds of the votes cast. If at such a meeting the requisite nominal amount of Rabobank Certificates is not represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least two-thirds of the votes cast, irrespective of the nominal amount of Rabobank Certificates represented.

The approval of the meeting of holders of Rabobank Certificate is not required for an amendment to the Rabobank Nederland Articles or the Participation Rules.

Rabobank Participations

As of the date of this Prospectus, 237,961,365 Rabobank Participations are outstanding, with a nominal value of €25.00 each. All outstanding Rabobank Participations have been acquired and are currently held by Stichting AK Rabobank. No Rabobank Participations are currently held by Rabobank Nederland.

The following table sets forth the number of Rabobank Participations issued by Rabobank Nederland as of 31 December 2012, 2011 and 2010.

	Year ended 31 December 2012		Year ended 31 December 2011		Year ended 31 December 2010	
	Number outstanding	Amount outstanding (in €)	Number outstanding	Amount outstanding (in €)	Number outstanding	Amount outstanding (in €)
Rabobank Participations	277,961,365	6,949,034,125	268,961,365	6,724,035,125	-	-

The rights attached to the Rabobank Participations are determined by the Rabobank Nederland Articles – in particular Article 18 – and the Participation Rules, see “Payments and Participation Rules”. An amendment to the Rabobank Nederland Articles or the Participation Rules may alter the rights attached to the Rabobank Participations or the characteristics of the Rabobank Participations. Any such amendment to the Rabobank Nederland Articles or the Participation Rules is not subject to the consent of the holders of the Rabobank Participations.

Nominal value; payment on issue; form

The current outstanding Rabobank Participations have a nominal value of €25.00 each. These Rabobank Participations have been paid in full. No participation receipts (*participatiebewijzen*) have been issued for the Rabobank Participations.

Issuance of new Rabobank Participations; classes

The decision to issue any new Rabobank Participations shall be taken by the Executive Board subject to the consent of the Supervisory Board. If new Rabobank Participations are issued at a nominal value of €25.00, they shall form part of the same class as the current outstanding Rabobank Participations, unless the Executive Board determines at the time of issue that they will constitute a separate class of Rabobank Participations. If Rabobank Participations are issued at a different nominal value, the newly issued Rabobank Participations shall constitute a different class of Rabobank Participations. No participation receipts (*participatiebewijzen*) shall be issued for any newly issued Rabobank Participations.

When new Rabobank Participations are issued, the competent supervisory authorities evaluate whether these meet the criteria for common equity tier 1 within the meaning of CRR. Rabobank Nederland is only permitted to classify the issued instruments as common equity tier 1 within the meaning of CRR after having received permission from the competent supervisory authorities to do so.

Meeting rights and voting rights

Rabobank Participations do not confer upon holders the right to attend a General Meeting, nor do they confer the right to vote at such General Meeting.

Form and transfer

The Rabobank Participation are in registered form and are registered in the name of Stichting AK Rabobank. The transfer of the Rabobank Participations is subject to the prior consent of the Executive Board. In the absence of such approval any purported transfer of Rabobank Participations does not have legal effect. The Rabobank Participations may be transferred by a private or notarial deed and notification thereof must be given to Rabobank Nederland. No right of pledge or usufruct may be established on Rabobank Participations. These restrictions do not prevent the Rabobank Certificates from being transferred or encumbered.

Term; right to repayment

The Rabobank Participations are perpetual and have no fixed maturity date. The Rabobank Participations may be cancelled solely in case of (i) the dissolution of Rabobank Nederland or (ii) cancellation of (part of) (a class of) the Rabobank Participations pursuant to a resolution of the Executive Board, subject to the prior consent of the Supervisory Board, and provided that Rabobank Nederland has sufficient own funds to effect such cancellation. A cancellation as referred to under (ii) may only be effected with the permission of DNB and subject to any conditions which DNB may attach to such permission. In the event of cancellation as referred to under (ii), the nominal value of the relevant class of Rabobank Participations must be repaid on each Rabobank Participation in that class.

The Rabobank Participations and the Rabobank Certificates are, together with the Shares (as defined in “Group Structure”), the most deeply subordinated capital of Rabobank Nederland. If Rabobank Nederland is dissolved, the nominal value of each Rabobank Participation may be repaid on each Rabobank Participation only after all creditors are paid. If the remaining capital of Rabobank Nederland is insufficient to repay all Rabobank

Participations and all Shares, an amount shall be repaid on each Rabobank Participation and each Share *pro rata* to the total nominal amount of the outstanding Rabobank Participations and outstanding Shares respectively. Any amount received on the Rabobank Participations shall be distributed by Stichting AK Rabobank to the holders of Rabobank Certificates. The dissolution of Rabobank Nederland may be subject to the permission of DNB, if needed at the time.

Rabobank Participations and corresponding claims cannot be validated (geverifieerd) and are not subject to set-off

The Rabobank Participations and corresponding claims cannot be submitted or validated (*geverifieerd*) in court settlements or out-of-court settlements, insolvency proceedings, emergency regulations as referred to in Section 3:160 FMSA or in similar situations in a jurisdiction other than the Netherlands and cannot be set-off.

No application of cross guarantee scheme

If Rabobank Nederland's capital shows a deficit as a result of which a request for repayment on the Rabobank Participations cannot be satisfied, this deficit will not be compensated under the cross guarantee scheme by a contribution of the other participants in the cross guarantee scheme (*i.e.*, the Local Rabobanks and a small number of Rabobank Nederland's Dutch subsidiaries).

Administration of Rabobank Participations

Rabobank Nederland will keep detailed records of the issue, transfer (*overdracht*) and transmission (*overgang*) of the Rabobank Participations. Any such records shall specifically include the nominal value and the dates of issue of the Rabobank Participations and shall include details of any transfers and transmissions. The records shall constitute conclusive evidence with regard to the Rabobank Participations.

Stichting AK Rabobank

Establishment and registration

Stichting AK Rabobank Ledencertificaten (to be renamed Stichting AK Rabobank Certificaten) is a foundation (*stichting*) established under Dutch law and was established on 29 September 2011. Stichting AK Rabobank has its registered office in Utrecht, the Netherlands. The office address of Stichting AK Rabobank is: Croeselaan 18, 3521 CB Utrecht, the Netherlands.

Objects

The objects of Stichting AK Rabobank are (i) to acquire and to manage Rabobank Participations by way of administration (*ten titel van beheer*) and to issue Rabobank Certificates that correspond to the Rabobank Participations thus acquired, (ii) to exercise all rights associated to the Rabobank Participations referred to under subparagraph (i), including exercising the rights to acquire Rabobank Participations and to receive payments and other distributions including distributions upon liquidation (subject to the obligation to pay any distributions received on the Rabobank Participations to the holders of the Rabobank Certificates without delay, save that in the event of a distribution in kind in the form of Rabobank Participations, further Rabobank Certificates will be issued by Stichting AK Rabobank to the holders of the Rabobank Certificates), and (iii) to perform any acts that relate and may be conducive to the foregoing. Other than in accordance with the Terms and Conditions, Stichting AK Rabobank may not dispose of, pledge or otherwise encumber the Rabobank Participations managed by it.

Management

Stichting AK Rabobank is managed by a board composed of three board members, or such other number as determined by the board of Stichting AK Rabobank, subject to the approval of the Supervisory Board. If the board consists of three board members, two board members must be board member A and one must be a board member B. The number of board members A must always exceed the number of board members B.

Board members A may not be affiliated with Rabobank Nederland (as described in article 3.4 of the Stichting Articles). Board members A are appointed and dismissed by the board itself, subject to the approval of the Supervisory Board. Board members B are appointed and dismissed by Rabobank Nederland.

Upon amendment of the Current Stichting Articles to align them with the Stichting Articles, the board of Stichting AK Rabobank is expected to be composed of five members. As of the date of this Prospectus, there is one vacancy and therefore the board of Stichting AK Rabobank is currently comprised of the following four board members:

- Mr Jaap Hazen (board member A);
- Mr Bert Trienen (board member A);
- Mr Rogier Everwijn (board member B); and
- Mr Jan van Veenendaal (board member B).

The office address of the board members of the board of Stichting AK Rabobank is: Croeselaan 18, 3521 CB Utrecht, the Netherlands.

The board members of the board of Stichting AK Rabobank are not employed by Stichting AK Rabobank and do not receive any remuneration at the expense of Stichting AK Rabobank. Board members who are not employed by Rabobank Nederland receive an annual fixed remuneration at the expense of Rabobank Nederland.

As of the date of this Prospectus, Rabobank Nederland is not aware of any potential conflicts of interest between the private interests or other duties of the members of the board of Stichting AK Rabobank and their duties to Rabobank Nederland. There is no family relationship between any member of the board of Stichting AK Rabobank, the Executive Board or the Supervisory Board.

As of the date of this Prospectus and during the last five years, none of the members of the board of Stichting AK Rabobank (i) have been convicted of fraudulent offences, (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

As of the date of this Prospectus, Rabobank Nederland is not aware of any arrangement or understanding with major holders of Current Member Certificates, customers or others pursuant to which any member of board of Stichting AK Rabobank was selected as a member of the administrative or management bodies, or as a member of senior management.

SUMMARY DESCRIPTION OF TRANSITIONAL CERTIFICATES

This section describes the Transitional Certificates which are intended to be of a transitional nature and are intended to be outstanding in the interim period between 3 December 2013 and on or around 24 January 2014 only, at which time they are expected to be exchanged for Rabobank Certificates and, thereafter, cancelled.

This section summarises certain information concerning the Transitional Certificates and certain material provisions of the articles of Stichting AK Transitional Certificates dated 2 December 2013 (the “**Stichting AK Transitional Certificates Articles**”) and the terms and conditions of administration (*administratievoorwaarden*) of Stichting AK Transitional Certificates dated 2 December 2013 (the “**Terms and Conditions of the Transitional Certificates**”) and applicable Dutch law. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Stichting AK Transitional Certificates Articles, the Terms and Conditions of the Transitional Certificates and the relevant provisions of Dutch law as in force on the date of this Prospectus.

The Stichting AK Transitional Certificates Articles and the Terms and Conditions of the Transitional Certificates are incorporated by reference into this Prospectus.

Background of Stichting AK Transitional Certificates and the Transitional Certificates

On 28 November 2013, Stichting AK Transitional Certificates was established to allow Rabobank Nederland to transfer Current Member Certificates held by it and make them available to institutional investors. For this purpose, Rabobank Nederland has transferred (and may in the future transfer) Current Member Certificates held by it following repurchases of such certificates, to Stichting AK Transitional Certificates in exchange for newly issued Transitional Certificates. Rabobank Nederland has subsequently sold (and may in the future sell) the Transitional Certificates held by it to a third party institution. See “Background and Reasons for the Listing – Background and Reasons for the Listing”.

The Transitional Certificates are intended to be of a transitional nature only. The transitional period is intended to last between 3 December 2013 and on or around 24 January 2014 if the Amendment is approved. If the Amendment does not occur, the Transitional Certificates will remain outstanding. Stichting AK Transitional Certificates has acquired Current Member Certificates held by Rabobank Nederland and has issued Transitional Certificates for the Current Member Certificates subject to the Terms and Conditions of the Transitional Certificates whereby Stichting AK Transitional Certificates has issued one Transitional Certificate for each Current Member Certificate acquired by it. The Transitional Certificates are freely transferable in accordance with the Terms and Conditions of the Transitional Certificates and cleared through Euroclear and Clearstream.

On or around 14 January 2014, a meeting of the holders of Current Member Certificates (including these held by Stichting AK Transitional Certificates) will be held to approve the Amendment. At this meeting, a resolution will be validly adopted by a majority of the votes cast by the holders of Current Member Certificates being present or represented, if the proposal has been unanimously recommended by the board of Stichting AK Rabobank and the proposal has been unanimously approved by the board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten. Stichting AK Transitional Certificates is expected to vote in favour of the Amendment.

If the meeting of holders of Current Member Certificates (including Stichting AK Transitional Certificates) approve the Amendment and certain formalities are satisfied, the Listing shall occur. If the Amendment is approved, all Current Member Certificates, including the Current Member Certificates held by Stichting AK Transitional Certificates, will be exchanged for Rabobank Certificates which will be listed on NYSE Euronext Amsterdam and will be included in the book-entry systems of Euroclear and Clearstream. Upon inclusion of the Rabobank Certificates in the book-entry systems of Euroclear and Clearstream, the administration of the Transitional Certificates by Stichting AK Transitional Certificates will be terminated and the Rabobank Certificates held by Stichting AK Transitional Certificates will be delivered to the holders of Transitional Certificates against cancellation of those Transitional Certificates. As a result there will be a single class of certificates representing Rabobank Participations, which will be listed on NYSE Euronext Amsterdam.

If the meeting of holders of Current Member Certificates does not approve the Amendment, the Listing will not occur and two classes of certificates will remain outstanding: (i) the Current Member Certificates, which are subject to their existing strict transfer restrictions and due to them not being listed, may effectively not be traded on the internal market as Rabobank Nederland will no longer purchase excess supply of Current Member Certificates; and (ii) the Transitional Certificates, which are freely transferable in over-the-counter transactions cleared through Euroclear and Clearstream. See also “Risk Factors – If the meeting of holders of Current Member Certificates does not approve the Amendment on or around 14 January 2014, the Listing will not take place and there may be no market on which the Current Member Certificates can be effectively traded”.

Certification

As the Transitional Certificates are derived from and based upon the Current Member Certificates, the features of the Current Member Certificates and the rights of the holders of the Current Member Certificates (other than with respect to their transferability), particularly any rights to payments and other distributions (see “Payments and Participation Rules”), extend to the Transitional Certificates and the rights of the holders of the Transitional Certificates, respectively.

Transitional Certificates

As of the date of this Prospectus, 18,000,000 Transitional Certificates, representing a total nominal amount of €450,000,000, have been issued by Stichting AK Transitional Certificates.

As of the date of this Prospectus, no Transitional Certificates are held by Rabobank Nederland.

Form and transfer

The Transitional Certificates are in registered form. The ISIN of the Transitional Certificates is XS1002102074 and the common code is 100210207. The Transitional Certificates are registered in the name of a nominee of the Common Depositary, and are represented by a global proof of ownership held in custody by the Common Depositary on behalf of Euroclear and Clearstream. Stichting AK Transitional Certificates keeps a register of the Transitional Certificates. The nominee of the Common Depositary is the sole registered holder named in the register.

The Transitional Certificates are included in the book-entry systems of Euroclear and Clearstream. The Transitional Certificates are freely transferable in accordance with the Terms and Conditions of the Transitional Certificates. Transfers can be made through Euroclear and Clearstream via book-entry transfers. The same applies to the establishment or transfer of a right of pledge or usufruct on the Transitional Certificates. The Transitional Certificates can only be transferred in positive integral numbers, with a minimum transfer amount of one Transitional Certificate.

Payments and other distributions

Stichting AK Transitional Certificates shall distribute any payments and other distributions received by it on the Current Member Certificates (or the Rabobank Certificates as the case may be) to the Paying Agent for the account of the nominee of the Common Depositary who will distribute the relevant amounts to Euroclear and Clearstream for their participants in accordance with Euroclear and Clearstream’s customary procedures. Each payment of any such distributions shall be made to, or to the order of, the person whose name is entered on the register at the close of business on the record date, which shall be the Clearing System Business Day immediately prior to the date of payment. The participants of Euroclear and Clearstream will thereafter credit the accounts of the ultimate holders of Transitional Certificates in accordance with their customary procedures. See “Payments and Participation Rules”.

Any claim for payment of distributions shall become due in the same amount and on the same dates as payments of distributions on the underlying Current Member Certificates. Stichting AK Transitional Certificates shall instruct payments of distributions on the Transitional Certificates upon receipt of the distributions on the underlying Current Member Certificates.

Voting rights

The Transitional Certificates do not confer upon holders the right to vote at a General Meeting, nor do they confer the right to attend any such General Meeting. They do, however, confer the right to vote at any meeting of holders of Transitional Certificates, and Stichting AK Transitional Certificates, as holder of Current Member Certificates, has the right to vote at any meeting of holders of the Current Member Certificates.

A meeting of holders of Transitional Certificates is convened by Stichting AK Transitional Certificates if Stichting AK Transitional Certificates considers that necessary or desirable.

Amendment of the Terms and Conditions of the Transitional Certificates

Stichting AK Transitional Certificates may amend the Terms and Conditions of the Transitional Certificates subject to having obtained the prior approval of Rabobank Nederland and the meeting of holders of Transitional Certificates. A resolution of the meeting of holders of Transitional Certificates approving an amendment to the Terms and Conditions of the Transitional Certificates may only be validly adopted at the meeting at which at least two-thirds of the nominal amount of the Transitional Certificates outstanding is represented and with a majority of at least two-thirds of the votes cast.

If at such the meeting the requisite nominal amount of Transitional Certificates is not represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least two-thirds of the votes cast, irrespective of the nominal amount of Transitional Certificates represented.

The approval of the meeting of holders of Transitional Certificates is not required for an amendment to the Rabobank Nederland Articles or the Participation Rules.

Voting in respect of the Current Member Certificates

Stichting AK Transitional Certificates shall exercise the voting rights and other rights arising out of the Current Member Certificates in a manner which Stichting AK Transitional Certificates shall deem to be in the best interest of the holders of Transitional Certificates. Stichting AK Transitional Certificates may determine the way in which it votes without consulting the meeting of holders of Transitional Certificates. Stichting AK Transitional Certificates shall at all times vote in favour of an amendment of the terms and conditions of Stichting AK Rabobank if such amendment results in an increase in the transferability of the Current Member Certificates.

As of the date of this Prospectus, Stichting AK Transitional Certificates holds 18,000,000 Current Member Certificates, representing a total nominal amount of €450,000,000 and 7.56% of the total outstanding Current Member Certificates. Pursuant to the arrangements with the third party institution, Stichting AK Transitional Certificates may ultimately acquire up to 25.21% of the total outstanding Current Member Certificates.

Stichting AK Transitional Certificates

Establishment and registration

Stichting AK Transitional Certificates is a foundation (*stichting*) established under Dutch law and was established on 28 November 2013. Stichting AK Transitional Certificates has its registered office in Utrecht, the Netherlands. The office address of Stichting AK Rabobank is: Croeselaan 18, 3521 CB Utrecht, the Netherlands.

Objects

The objects of Stichting AK Transitional Certificates are (i) to acquire and to manage Current Member Certificates (or Rabobank Certificates as the case may be) by way of administration (*ten titel van beheer*) and to issue Transitional Certificates that correspond to the Current Member Certificates thus acquired, (ii) to exercise all rights associated to the Current Member Certificates referred to under subparagraph (i), including exercising the rights to acquire Current Member Certificates and to receive payments and other distributions including distributions upon liquidation (subject to the obligation to pay any distributions received on the Current Member Certificates to the holders of the Transitional Certificates without delay, save that in the event of a distribution in kind in the form of Current Member Certificates, further Transitional Certificates will be issued by Stichting AK Transitional Certificates to the holders of Transitional Certificates), and (iii) to perform any acts that relate and may be conducive to the foregoing. Other than in accordance with the Terms and Conditions of the Transitional Certificates, Stichting AK Transitional Certificates may not dispose of, pledge or otherwise encumber the Current Member Certificates managed by it.

Management

Stichting AK Transitional Certificates is managed by a board composed of three board members, or such other number as determined by the board of Stichting AK Transitional Certificates, subject to the approval of the Supervisory Board.

As of the date of this Prospectus, the board members of the board of Stichting AK Transitional Certificates are:

- Ms Isabel Rijpkema;
- Mr Tim van Hest; and
- Mr Rogier Everwijn.

The board members are appointed and dismissed by the board itself, subject to the approval of the Supervisory Board.

The office address of the board members of the board of Stichting AK Rabobank is: Croeselaan 18, 3521 CB Utrecht, the Netherlands.

The board members of the board of Stichting AK Transitional Certificates are not employed by Stichting AK Transitional Certificates and do not receive any remuneration at the expense of Stichting AK Transitional Certificates. The board members are employees of Rabobank Nederland and do not receive any remuneration in respect of their position in the board of Stichting AK Transitional Certificates.

PAYMENTS AND PARTICIPATION RULES

This section summarises certain information concerning the Participation Rules, as they are anticipated to be in effect upon Listing. The Participation Rules are included as Annex IV to this Prospectus and are expected to be approved by the Executive Board on 17 December 2013, subject to the approval of the Supervisory Board. The Participation Rules are expected to come into effect on the first day on which the Rabobank Certificates are admitted to trading on a regulated market. Until that date, the current rules which describe the rights and conditions that apply to the Rabobank Participations effective as of 29 September 2013 (*Rabobank participatiereglement*) (the “**Current Participation Rules**”) will continue to be in force. The Current Participation Rules are incorporated by reference into this Prospectus.

If the Listing does not occur, the Current Participation Rules will be amended to reflect that the minimum planned distribution for holders of Current Member Certificates will be raised from 5.2% (€0.3125 per Rabobank Participation) to 6.5% (€0.40625 per Rabobank Participation) with effect from the payment date on or around 29 March 2014.

Provisions in the Rabobank Nederland Articles, Stichting Articles and the Participation Rules

The decision on whether or not payments will be made on the Rabobank Participations, the amount of any such payments, and the date of the payments is made at the discretion of the Executive Board. The payments which Rabobank Nederland intends to make on the Rabobank Participations are described in the Participation Rules and are summarised under “– Intended Payments”. The holders of the Rabobank Participations and the holders of Rabobank Certificates may not derive any rights from any statement made by Rabobank Nederland that it intends to make payments on the Rabobank Participations as described below.

The Participation Rules may be adopted and amended by the Executive Board at its discretion, subject to the consent of the Supervisory Board. Adoption and amendment of the Participation Rules does not require the consent from the holders of the Rabobank Participations or the holders of Rabobank Certificates. Under the Stichting Articles, Stichting AK Rabobank is obliged to pay the payments it receives in respect of the Rabobank Participations to the holders of the Rabobank Certificates.

Intended Payments

Without prejudice to the discretion of the Executive Board to elect not to make payments in respect of the Rabobank Participations, Rabobank Nederland intends to make payments on each Rabobank Participation on every Intended Payment Due Date (as defined below) beginning on the first Intended Payment Due Date following the Listing of an amount equal to the higher of:

- €0.40625; and
- the three-month arithmetical average (rounded to two decimal places) on an annual basis of the effective return on the most recent Reference Loan (as defined below) (or, if there is no Reference Loan, the most recent Alternative Reference Loan (as defined below)) for the Calculation Period (as defined below) immediately preceding the Intended Payment Period (as defined below), plus 1.5%, calculated based on a nominal value of €25 divided by four.

To the extent that one or more of the circumstances set out under “– Non-Payment and Incomplete Payment” arises, Rabobank Nederland will in any event not make a payment on an Intended Payment Due Date.

The three-month arithmetical average of the effective return of the Reference Loan and, if applicable, the Alternative Reference Loan (the “**Reference Loan Return**”) will be determined on a daily basis and will be published on a weekly basis on www.rabobank.com and on www.rabobank.nl. The calculation will be based on the information provided on the website of DNB or, if this website contains no relevant information, based on information from another source selected by Rabobank Nederland. Notification will be made on the websites mentioned above if an Alternative Reference Loan is used to calculate the payment. The use of an Alternative Reference Loan may have a positive or negative impact on the amount of any payment.

“**Alternative Reference Loan**” means one or more loans which, in the opinion of the Executive Board, coincide(s) as closely as possible with the yield, nature, remaining term and creditworthiness of the debtor(s) with a Dutch State loan having a remaining term between 9.5 and 10.5 years.

“**Calculation Period**” means each period of three months in respect of which the Reference Loan Return is calculated, running (i) from and including 26 March to and including 25 June, (ii) from and including 26 June to and including 25 September, (iii) from and including 26 September to and including 25 December and (iv) from and including 26 December to and including 25 March in each year.

“**Intended Payment Due Date**” means 29 March, 29 June, 29 September and 29 December in each year (or, if the date is not a day on which both (i) TARGET2 (Trans-European Automated Real-Time Gross Settlement Express Transfer 2) and (ii) banks in the Netherlands are open for payments in euro (a “**Business Day**”), the next following Business Day or, if this next following Business Day occurs in a subsequent month, the final Business Day before the day in question).

“**Intended Payment Period**” means each period of three months in respect of which payments (if any) on the Rabobank Participations are determined, running (i) from and including 30 December to and including 29 March, (ii) from and including 30 March to and including 29 June, (iii) from and including 30 June to and including 29 September, and (iv) from and including 30 September to and including 29 December in each year.

“**Reference Loan**”: means a Dutch State loan with a remaining term between 9.5 and 10.5 years or, if there is no such loan, a Dutch State loan with a remaining term between 9 and 11 years.

Payment History

The following table sets forth the payments made by Rabobank Nederland to Stichting AK Rabobank with respect to the Rabobank Participations relating to the financial years indicated. Stichting AK Rabobank paid the payments it received in respect of the Rabobank Participations to the holders of the Current Member Certificates.

Rabobank Participations

Financial year	Number of Rabobank Participations for calculation of the payment	Payment in cash (in euro per Rabobank Participation)			
		Q1	Q2	Q3	Q4
2013	277,961,365 ¹⁾	0.3125	0.3125	0.3250	0.3250
2012	277,961,365	0.3125	0.3125	0.3125	0.3125
2011 ²⁾	268,961,365	-	-	-	0.3125
2010 ²⁾	-	-	-	-	-

Note:

(1) As of the date of this Prospectus this number is 237,961,365

(2) The Current Member Certificates were issued to RLC N.V. on 30 September 2011 followed by the conversion of the depositary receipts for shares in RLC N.V. into the Current Member Certificates on 6 October 2011 to ensure that the capital raised with the Current Member Certificates qualified as tier 1 capital. The first payment date was 29 December 2011. As of 31 December 2010, 255,069,080 depositary receipts for shares in RLC N.V. were outstanding, representing €6,376,727,000. From Q1 2010 up to Q3 2011, €0.3125 was paid on each depositary receipt for shares in RLC N.V.

Manner and Time of Payments

Any payment in cash will be made in euro. Any payments made to holders of Rabobank Certificates through Euroclear and Clearstream will be credited to the accounts of holders of Rabobank Certificates’ (or their direct participant) with Euroclear and Clearstream.

Payments in respect of Rabobank Certificates are expected to be made four times in each year on the Intended Payment Due Date. If the Executive Board has elected to make a payment in respect of the Rabobank Participations, Rabobank Nederland will publish such decision on www.rabobank.com and www.rabobank.nl. Payments become due and payable as from the thirtieth day after the payment date specified in the published decision.

Non-Payment and Incomplete Payment

The Executive Board may, at its discretion, elect not to make payments on the Rabobank Participations at all, or only to make partial payments. The Executive Board may also, at its discretion, decide on which dates Rabobank Nederland makes payments on the Rabobank Participations. Payments not made are non-cumulative and will not be made on a subsequent Intended Payment Due Date or on any other date. To the extent that no payments or other distributions on the Rabobank Participations are made, no payments or other distributions will be made on the Rabobank Certificates.

Rabobank Nederland will in any event not make any payment in respect of the Rabobank Participations on an Intended Payment Due Date or at any other time if (i) it has no 'distributable items', within the meaning of CRR, or (ii) it has not obtained a declaration of no-objection from, or if a payment is otherwise prohibited by, DNB (or any other authority charged with supervision of the liquidity and solvency of credit institutions), all in accordance with the legislation then applicable to Rabobank Nederland.

Uncollected Payments

Payments on the Rabobank Participations which have not been claimed within five years after the start of the second day on which they become payable will revert to Rabobank Nederland. Payments on the Rabobank Certificates which have not been claimed upon the expiry of 20 years and one day after the date on which they become payable will revert to Stichting AK Rabobank.

Taxation on Payments

All payments on the Rabobank Participations will be made without retention, deduction or withholding for or on account of existing or future taxes or levies of any nature whatsoever imposed or levied by or on behalf of the State of the Netherlands or any competent tax authority thereof or therein, unless Rabobank Nederland is obliged to make such retention, deduction or withholding for such taxes or levies. In that event, Rabobank Nederland will make the required retention, deduction or withholding of such taxes or levies, as the case may be, and, at the same time, additional amounts will be paid to the holders of the Rabobank Participations and to the holders of the Rabobank Certificates in order for such holders to receive an amount equal to the amount which would have been received in the absence of the retention, deduction or withholding of such taxes or levies.

BUSINESS

Overview*

The Group is an international financial service provider operating on the basis of cooperative principles. As of 30 June 2013, it comprised Rabobank Nederland and its subsidiaries and 136 independent Local Rabobanks. The Group operates in 42 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on maintaining the Group's position in the Dutch market and, internationally, on food and agri. The Group believes that its entities have strong interrelationships due to the Group's cooperative structure.

The Group's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS Ratings Ltd. ("**DBRS**")), see "– Recent Developments – Ratings". In terms of tier 1 capital, the Group is among the world's 30 largest financial institutions (source: The Banker).

The Group's cooperative core business comprises independent Local Rabobanks, which are banking organisations in their own right. Clients can become members of their Local Rabobank. In turn, the Local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. For more information see "Group Structure". Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the Local Rabobanks. With 802 branches and 2,735 cash-dispensing machines as of 30 June 2013, the Local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the Local Rabobanks serve approximately 6.7 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

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

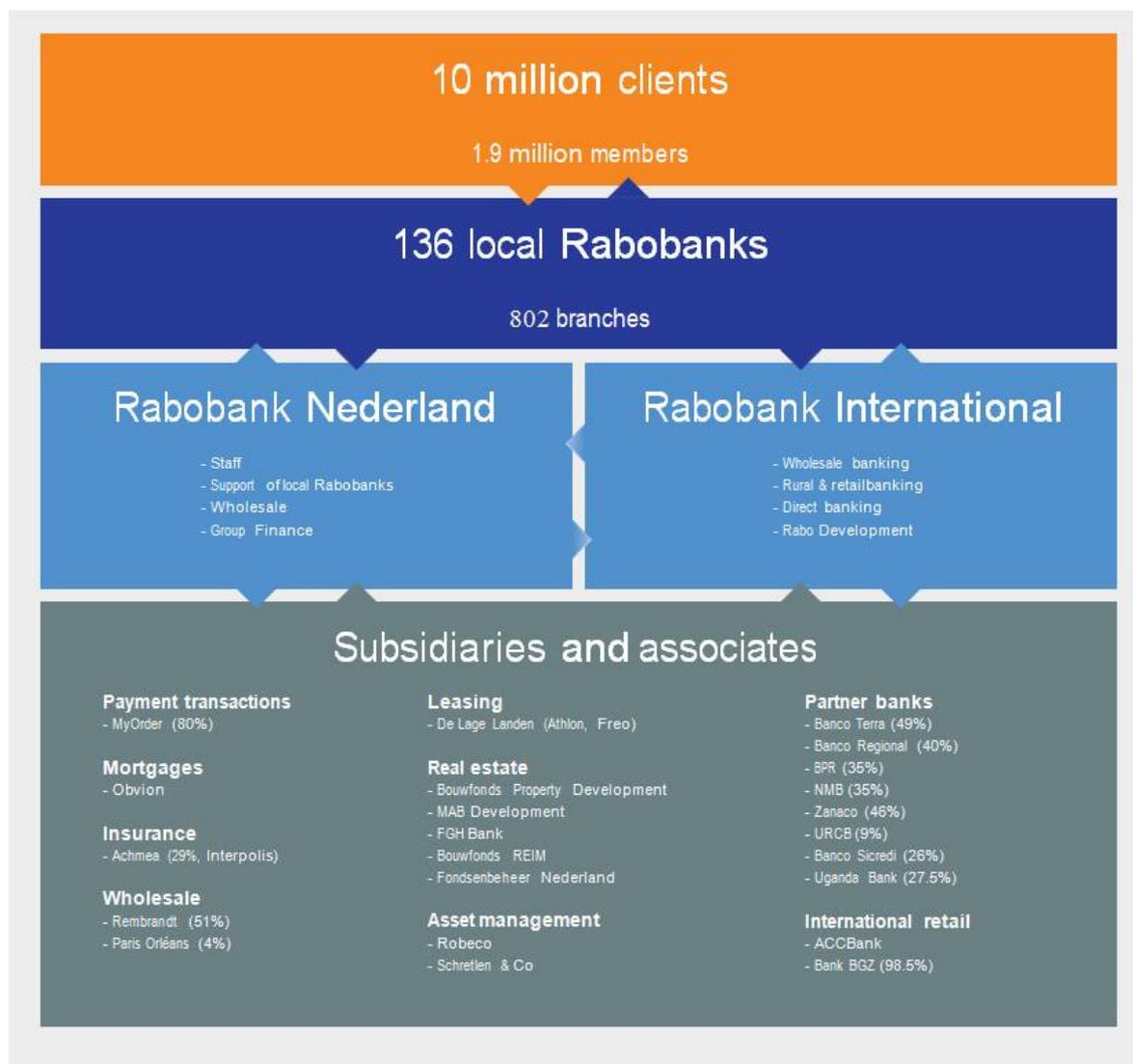
Historically, the Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, the Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an on-going programme, the Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. The Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

As of 30 June 2013, the Group had total assets of €698.4 billion, a private sector loan portfolio of €454.4 billion, amounts due to customers of €339.8 billion (of which savings deposits total €156.1 billion), and equity of €40.7 billion. Of the private sector loan portfolio, €220 billion, virtually all of which were mortgages, consisted of loans to private individuals, €143.8 billion of loans to the trade, industry and services sector and €90.6 billion of loans to the food and agri sector. As of 30 June 2013, its core tier 1 ratio, which is the ratio between core tier 1 capital and total risk-weighted assets, was 12.9% and its tier 1 ratio, which is the ratio between tier 1 capital and total risk-weighted assets, was 16.9%. For the six-month period ended 30 June 2013, the Group's efficiency ratio, which is the ratio between total operating expenses and total income, was 65.8%, and the return on equity, or net profit expressed as a percentage of tier 1 capital, was 5.8%. For the six-month period ended 30 June 2013, the Group realised a net profit of €1,112 million and a Risk Adjusted Return On Capital ("**RAROC**") of 9% after tax. As of 30 June 2013, the Group employed 59,506 full-time equivalents of the Group's employees ("**FTEs**"). For the year ended 31 December 2012, the rate of absenteeism was 3.6%.

The Group

Group overview

The overview below provides an overview of the business of the Group. The figures presented in the overview are provided as of 30 June 2013.



Business activities of the Group

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

Domestic retail banking

The domestic retail banking business comprises the Local Rabobanks, Obvion N.V. (“**Obvion**”), Rabohypotheekbank N.V. (“**Rabohypotheekbank**”), Friesland Bank N.V. (“**Friesland Bank**”) and the Roparco brand. In the Netherlands, the Group is a large mortgage bank, savings bank and insurance agent. Based on internal estimates, the Group believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers.

As of 30 June 2013, the Group’s domestic retail banking operations had total assets of €379 billion, a private sector loan portfolio of €305.1 billion, amounts due to customers of €218.2 billion and savings deposits of €128.7 billion. For the six-month period ended 30 June 2013, the Group’s domestic retail banking operations accounted for 59%, or €3,810 million, of the Group’s total income and 55%, or €615 million, of the Group’s net profit. As of 30 June 2013, the Group’s domestic retail banking operations employed 28,523 FTEs.

Local Rabobanks

The 136 (as of 30 June 2013) Local Rabobanks are independent banks, each with their own operating areas. With 802 branches and 2,735 cash-dispensing machines as of 30 June 2013, they together comprise one of the leading local banks in the Netherlands with a dense branch network. Proximity and commitment to their clients enhances the Local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The Local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and mobile telephones. Together, as of 30 June 2013, the Local Rabobanks serve approximately 6.7 million retail clients and approximately 0.8 million corporate clients in the Netherlands with a comprehensive package of financial services. 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 and, together, they are the largest insurance broker in the Netherlands (source: Insurance Magazine Yearbook 2012, AM Jaarboek 2012).

Obvion

Obvion is 100% owned by Rabobank Nederland and is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers.

Friesland Bank

Friesland Bank is 100% owned by Rabobank Nederland. Its client base consists of retail, institutional and corporate customers.

Rabohypotheekbank

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the Local Rabobanks and was owned 100% by Rabobank Nederland as of 31 December 2012.

Rabohypotheekbank also serves as a supplementary financing vehicle for the Local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. As of 31 December 2012, Rabohypotheekbank had assets of €7 billion.

Wholesale banking and international retail banking (Rabobank International)

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agri sector. Rabobank International is a division of Rabobank Nederland and has a presence in 30 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Global Client Solutions, Acquisition Finance, Renewable Energy & Infrastructure Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Global Financial Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of the Group and its clients. Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Global Client Solutions offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors of wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Australia, Belgium, Germany, Ireland, and New Zealand.

The Group's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly owned subsidiary, and the Polish Bank Gospodarki Żywnościowej, in which Rabobank International had a 98.5% stake as of 30 June 2013.

Over the last few years, Rabobank International has strengthened its position in retail banking. In 2010, the Group acquired Napa Community Bank as well as specific assets and liabilities of Butte Community Bank and Pacific State Bank in California.

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

As of 30 June 2013, the Group's wholesale banking and international retail banking operations had total assets of €504.1 billion and a private sector loan portfolio of €105.4 billion. For the six-month period ended 30 June 2013, the Group's wholesale banking and international retail banking operations accounted for 31%, or €1,971 million, of the Group's total income and 45%, or €496 million, of the Group's net profit. As of 30 June 2013, the Group's wholesale banking and international retail banking operations had 15,751 FTEs.

Leasing, De Lage Landen

De Lage Landen International B.V. ("**De Lage Landen**") is the subsidiary responsible for the Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 36 countries. With its innovative finance programmes, De Lage Landen stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the Local Rabobanks. Through international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Landen strengthens the Group's position in the Dutch consumer credit market, in part through the Freo online brand.

As of 31 December 2012, Rabobank Nederland owned a 100% equity interest in De Lage Landen. De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to €98,470,307, all of which is owned by Rabobank Nederland. As of 31 December 2012, Rabobank Nederland's liabilities to De Lage Landen amounted to €1,029 million. As of 31 December 2012, Rabobank Nederland's claims on De Lage Landen amounted to €23,425 million (loans, current accounts, financial assets and derivatives). All liabilities of De Lage Landen are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

As of 30 June 2013, De Lage Landen had a lease portfolio of €30.2 billion. For the six-month period ended 30 June 2013, De Lage Landen accounted for 12%, or €791 million, of the Group's total income and 21%, or €232 million, of the Group's net profit. As of 30 June 2013, the Group's leasing operations employed approximately 5,122 FTEs.

Real estate, Rabo Vastgoedgroep

The Group believes Rabo Real Estate Group (Rabo Vastgoedgroep Holding N.V. ("**Rabo Vastgoedgroep**") is a prominent real estate enterprise. It operates in the private and corporate markets and has three core activities: residential and commercial real estate development, real estate finance and serving real estate investors. Bouwfonds Property Development is responsible for residential development and MAB Development for the development of commercial real estate. Financing commercial real estate is done by FGH Bank N.V. ("**FGH Bank**"). Bouwfonds REIM is responsible for real estate-related investments. In addition to these three core activities, Rabo Vastgoedgroep contributes to social real estate development and financing through Fondsenbeheer Nederland. Rabo Vastgoedgroep operates mainly in the Netherlands, France and Germany.

For the six-month period ended 30 June 2013, Rabo Vastgoedgroep sold 1,749 houses. As of 30 June 2013, Rabo Vastgoedgroep managed €5.7 billion of real estate assets and its loan portfolio amounted to €19.3 billion. For the six-month period ended 30 June 2013, the real estate operations accounted for 1%, or €88 million, of the Group's total income and negative 17%, or negative €189 million, of the Group's net profit. As of 30 June 2013, the Group's real estate operations had 1,547 FTEs.

Participations

As of 30 June 2013, the Group had a 29% interest in Achmea B.V. ("**Achmea**"). The Group does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in Group's financial statements. Achmea is accounted for as an associate in the Group's financial statements in accordance with the equity method. As of 31 December 2012, Achmea had a workforce of approximately 18,900 FTEs, and Achmea is the market leader in the area of insurance in the Netherlands (source: Achmea Annual Report 2012), where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Achmea occupies a relatively minor position outside the Netherlands, operating in seven other European countries.

The Group and Achmea work closely together in the area of insurance. Achmea operates in the Dutch domestic market with brands including Centraal Beheer Achmea, InShared, Interpolis, Avéro Achmea, Zilveren Kruis Achmea, Agis Zorgverzekeringen, De Friesland Zorgverzekeraar and Syntrus Achmea. Interpolis is the prime supplier of insurance products to clients of the Local Rabobanks, offering a broad range of non-life, health and life insurance policies for both private individuals and enterprises. Serving over a million private individuals and several hundreds of thousands of enterprises, Interpolis is one of the major players in the Dutch insurance market and in the agricultural sector.

Recent Developments

Rabo Extra Ledenobligaties to be exchanged into Current Member Certificates

On 17 December 2013, Rabobank Nederland announced that it opts to exchange the remaining part of the nominal value of Rabo Extra Ledenobligaties into Current Member Certificates on the maturity date of the Rabo Extra Ledenobligaties, being 30 December 2013. This means that 9 million Rabo Extra Ledenobligaties will be exchanged for 9 million Current Member Certificates with a total nominal value of €225 million.

BNP Paribas Group acquires Bank Gospodarki Żywnościowej in Poland from Rabobank

On 5 December 2013, BNP Paribas Group and Rabobank Nederland announced that they have reached agreement for the transfer to BNP Paribas of the 98.5% stake held by Rabobank Nederland in Bank Gospodarki Żywnościowej by valuing Bank Gospodarki Żywnościowej at 4.2 billion Polish złoty (approximately €1 billion). The completion of the transaction is subject to the execution of the final documentation and to the necessary regulatory approvals.

Current Member Certificates

In a press release dated 3 December 2013, Rabobank Nederland announced its plan to list the Current Member Certificates on NYSE Euronext Amsterdam (in the form of Rabobank Certificates). Details hereof form the subject of this Prospectus.

The Group issues tier 2 capital

On 25 November 2013, the Group issued \$1.75 billion subordinated (tier 2) notes with a maturity of 10 years and \$1.25 billion subordinated (tier 2) notes with a maturity of 30 years.

Ratings

On 21 November 2013, Fitch lowered the long-term IDR of the Group to 'AA-' from 'AA'. The outlook on this rating remains negative.

On 11 November 2013, DBRS placed the AAA Long-Term Deposits & Senior Debt ratings of Rabobank Nederland under review with negative implications.

On 4 November 2013, Standard & Poor's affirmed the long-term counterparty credit rating of Rabobank Nederland of 'AA-', but revised the outlook from stable to negative.

On 31 October 2013, Moody's affirmed Rabobank Netherland's long-term debt and deposit ratings of 'Aa2' with a negative outlook.

Changes to the Executive Board

Mr Piet van Schijndel was a member of the Executive Board until he retired on 30 November 2012. Ms Gerlinde Silvis was a member of the Executive Board until she stepped down with effect from 25 January 2013. Mr Hans van der Linden was a member of the Executive Board until he stepped down with effect from 4 September 2013.

In light of the findings of the LIBOR and EURIBOR investigations, it was announced on 29 October 2013 that Mr Piet Moerland was resigning as chairman of the Executive Board, effective immediately. Although Mr Moerland was not involved in the events surrounding the LIBOR and EURIBOR investigation, he wanted to send a strong message regarding the Group's involvement. His duties were taken over by Mr Marinus Minderhoud. Mr Minderhoud was a member of the Supervisory Board from 2002 until he stepped down with effect from 29 October 2013 in connection with his appointment as interim chairman of the Executive Board.

On 18 November 2013, it was announced that Mr Sipko Schat stepped down from the Executive Board, effective immediately.

As of 1 November 2013, Mr Ralf Dekker and Mr Rien Nagel were appointed to the Executive Board.

Cancellation of Current Member Certificates

On 6 November 2013, Rabobank Nederland cancelled 40 million Current Member Certificates, which represented a total nominal amount of €1 billion. This cancellation of Current Member Certificates was in accordance with Rabobank Nederland's earlier announcement on 22 August 2013 of its intention to cancel any repurchased Current Member Certificates to ensure that it could continue acquiring Current Member Certificates.

Rabobank settles LIBOR and EURIBOR investigations

On 29 October 2013, the Group announced that it has entered into agreements with DNB, the DPP, FCA, CFTC, DOJ and JFSA, in connection with their investigations into the Group's historical LIBOR and EURIBOR submission processes. The Group has agreed to pay settlement amounts to the DPP, FCA, CFTC and DOJ

totalling approximately €774 million. See “– Legal and Arbitration Proceedings” and “Risk Factors – The Group is exposed to legal risk. Legal and arbitration proceedings in which the Group is involved or may become involved in the future could have a material adverse effect on the Group’s business, financial condition and results of operations”.

The Group issues tier 2 capital

On 18 July 2013, the Group issued €1 billion subordinated (tier 2) notes with a maturity of 10 years.

Sale of Robeco

The sale of 90% plus one of the shares in the Group’s subsidiary Robeco Groep N.V. (“**Robeco**”) to ORIX Corporation was effected on 1 July 2013. The sale price was approximately €1.9 billion. The transaction has resulted in a book profit of approximately €1.5 billion and increased the core tier 1 ratio of around 70 basis points. The banking activities of Robeco, which are exclusively located in the Netherlands, were transferred to Rabobank Nederland on 21 June 2013. As part of the purchase price, the Group has received a shareholding in ORIX Corporation in an amount of €150 million.

Strategy of the Group

The Group’s strategy for the period from 2013 to 2016 is outlined in a strategic framework (the “**Strategic Framework**”). The Group wants to be close to its clients, to be at the heart of society and to focus on sustainable development. In the Group’s view, products should be as simple as possible and should meet the needs of its clients. Employees have a key part to play in this. The Group engages in universal relationship banking in the Netherlands and the rest of the world, and it wants to continue to do so based on its cooperative identity and principles. The Strategic Framework was adopted in September 2012, following which it was translated into policy proposals.

A more distinctive identity

The Group puts the interests of its clients first. Many clients are currently experiencing tough times. In keeping with its cooperative principles, the Group endeavours to help its clients through this difficult period where possible and appropriate. The cooperative identity helps to further maintain a distinctive edge. The Group’s aim is to ensure that the cooperative principles are tangible, perceptible and visible to customers and members of the Group. In addition, initiatives are being developed to give members greater influence and involvement, since they are the people who keep the bank focused. The Group will also be more vigorous in seeking interaction with clients outside the Netherlands, for example, in the form of advisory councils or client panels.

Focusing on the Dutch market

The Group has the ambition of becoming the market leader in the Netherlands in order to put it in a strong position to offer appropriate products to its clients. Sufficient scale is needed in order to innovate and develop products, and be able to operate efficiently. The Group believes it already holds prominent positions in the savings and mortgage markets, the SME sector and the wholesale segment. It wants to hold on to these prominent positions and also strengthen its position in selected areas where it is still falling short of its targets. As a socially committed bank, the Group continues to take the lead in major political and social debates, such as the debates in the Netherlands regarding the housing market and home loans.

The Group would like to develop a model in which treating customers fairly is combined with cost levels that are in line with the rest of the market. In keeping with its cooperative principles, attempts are also being made to reduce costs on a structural basis in the Dutch retail banking business. Besides cost considerations, changing client needs in particular are forcing the Group to evaluate critically its branch location policy and the entire service chain, which extends from the Local Rabobanks to Rabobank Nederland. Standardisation and virtualisation is expected ultimately to lead to better customer service at lower costs, which, in turn, will lead to a lower employee headcount. Furthermore, the Local Rabobanks intend to make the most of any opportunities to introduce a greater focus on the use of cooperative dividends.

Rabobank International and subsidiaries

Rabobank International and its subsidiaries have a part to play in maintaining the Group’s prominent position in the Dutch market the Group believes to have. In the rest of the world, the Group is aiming to present itself as a cutting-edge and leading food and agri bank. In connection with this aim, the Group intends to further improve its services to customers of the Local Rabobanks with international operations. The Group believes that the activities of Rabobank International and its subsidiaries need to be sufficiently focused on the food and agri sector, serve the real economy and be manageable and responsible from a risk perspective. In addition, the contribution made by different activities to achieving targets at the Group level will come under greater scrutiny. Moreover, synergies between different Group entities will be strengthened further. In the area of investment products, the Local Rabobanks have offered their clients the option of choosing between different providers for many years. As a consequence, Robeco’s role within the Group has gradually changed. The distribution model for

investment funds will also change on a structural basis owing to the ban on commissions due to regulatory adjustments. Partly in the light of these developments, the strategic options for Robeco were explored, resulting in the sale of the asset management subsidiary. The sale of 90% plus one of the shares in Robeco to ORIX Corporation was effected on 1 July 2013. As of 30 June 2013, the Group had a 29% equity interest in Achmea. Achmea is the Group's strategic partner in the area of insurance products.

The Group's employees

The social landscape and banking climate are undergoing rapid change. The Group believes that its employees will need to adapt to these developments since they are the face of the bank and are able to make a difference. The Group needs, and has, employees who endorse its distinctive cooperative identity, who feel a sense of commitment to customers and who continue to work on their professional, as well as their personal, development. The Group intends to implement a more modest pay and benefits package that shows greater restraint in certain areas, is more in-keeping with other sectors and which will gain the support of customers, members and the community.

Sustainability

Sustainable banking is a core principle in the Strategic Framework, which the Group seeks to achieve by focusing on the long term and on sustainable economic development. During 2012, a programme was launched with the aim of formulating the details of the Group's strategy on sustainability for the next few years, in order to facilitate the implementation of the updated Strategic Framework. Four customer promises and three sustainability themes, which serve as the starting points for this strategy, were formulated in 2012.

The customer promises are:

- all of the Group's products and services make a transparent contribution to sustainable development;
- the Group gives priority to sustainable initiatives put forward by members and customers when providing access to capital, and rewards such initiatives with material financial incentives;
- the Group makes cutting-edge strategic knowledge available to customers; and
- the Group forms networks with customers with the aim of building long-term relationships and accelerating the pace of sustainable development.

These customer promises were used as a basis for defining three specific central themes:

- accelerating the transition towards a global sustainable food and agriculture business;
- promoting a circular economy; and
- strengthening vibrant communities.

These themes were selected on the basis of the Group's market position, knowledge, ambitions and cooperative roots. They are consistent with the most important local and global environmental, social and economic challenges facing the Group and its stakeholders. The Group uses these themes as a basis on which it can build a prominent position in the area of sustainability. The Group intends to expand upon these starting points with a large number of internal and external stakeholders in 2013 to achieve specific goals over the next few years.

Financial frameworks

Adequate capital and liquidity buffers are the key elements of financial robustness. They are therefore prerequisites for, and are vital to, retaining a high credit rating and good access to professional funding. Although the Group does not always seek to maximise profit, healthy profit growth is important for ensuring continuity, certainty and further growth. Earnings will be under pressure in the next few years owing to low asset growth, fierce competition in the savings market, increased legislation and regulations, the costs of the ex-ante deposit guarantee scheme, the bank tax and the resolution levy. Therefore, a group-wide focus on restraint and cost reduction is necessary to achieve the desired profit growth.

In the Group's view, there will be little scope for growth in lending up to, and including, 2016. Demand for loans will be limited in the Netherlands owing to the state of the economy and the housing market. Elsewhere, opportunities for growth will be utilised on a selective basis. For instance, the international rural and retail banking businesses are expected to grow slightly in order to shore up activities in several key countries. However, the wholesale banking business and De Lage Landen have limited scope for growth. As of the date of this Prospectus, the Group's emphasis is on increasing amounts due to customers and on the further diversification of professional funding.

In the Strategic Framework, the Group has specifically set itself the following financial targets in the areas of profitability, solvency and liquidity:

- a return on tier 1 capital of 8%;
- a core tier 1 ratio of 14% at year-end 2016; and
- a loan-to-deposit ratio of 1.3 at year-end 2016.

The loan-to-deposit ratio is the ratio of total loans to amounts due to customers. Investments in the workforce and IT will need to be made over the next few years in order for these ambitious targets to be achieved on schedule. The Group expects that it will be difficult to achieve these targets if the low economic growth seen in recent years continues until 2016.

Strategy for domestic retail banking

The Group is a cooperative that puts its customers' interests first and treats customers fairly. Customers are able to come to the Group for any mainstream financial products and services. The Group has the ambition of being the market leader in the Netherlands in order to put it in a strong position to offer customers product excellence. Modern distribution channels such as the internet and mobile phone technology are increasingly important in the Group's service provision. The Local Rabobanks are aiming to consolidate and shore up their position, particularly in the higher segment of the retail market (private banking), in the wholesale market and in metropolitan areas.

Strategy for wholesale banking and international retail banking

Rabobank International focuses on both Dutch and international customers in the food and agri business sectors, and offers these customer groups professional products and services.

The two key elements of Rabobank International's strategy are:

- to achieve market leadership in the Netherlands; and
- to play a leading role in the global food and agri business sectors.

A certain level of scale is needed to guarantee the best possible cost price and the highest possible quality of these products. The Group seeks to leverage its specialist knowledge in these sectors and its efficiencies of scale to attract and maintain a broader group of customers.

Strategy for leasing

De Lage Landen provides services to the real economy. Its operations are in keeping with the Group strategy to offer a broad range of financial services in the Netherlands. The Vendor Finance division focuses heavily on the food and agri sector and De Lage Landen has the ambition to increase its share of this market. In addition, with a view to diversification, Vendor Finance also targets a number of other sectors. De Lage Landen has extensive experience in the sectors in which it operates as well as thorough knowledge of these sectors and of the appropriate lease products. As it always has been, teamwork with other divisions of the Group is the central driving force. In the Netherlands, for instance, De Lage Landen has collaborated closely with the Local Rabobanks for many years. The partnership with Rabobank International is also intensifying.

Strategy for real estate

Rabo Vastgoedgroep is the Group's centre of expertise in real estate; it is active in the areas of property development, property finance, investment management and community fund management. Being one of the largest real estate enterprises in Europe, Rabo Vastgoedgroep endeavours to strike a healthy balance between the social, economic and ecological effects of its operations. Its ambition is to rank among the top in sustainability in the property sector. Rabo Vastgoedgroep's mission is to help clients achieve their ambitions for living, working, shopping and leisure. Rabo Vastgoedgroep has several divisions. Bouwfonds Property Development develops comprehensive residential areas and small mixed-use projects. MAB Development is one of the leading commercial property developers with a focus on retail and city centre development. FGH Bank specialises in property finance and Bouwfonds REIM manages real estate investment funds. Fondsenbeheer Nederland is an independent manager of seven community funds that actively strive to improve the quality of the living environment.

Competition

The Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, ING Group and SNS Reaal, and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has increased competition among banks in the Netherlands significantly. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and savings deposits. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, ING Group and SNS Reaal, received financial support from the Dutch government. In February 2013, SNS Reaal was nationalised by the Dutch government. These developments may affect the competitive environment in which the Group operates in the Netherlands. The Group expects competition in the Dutch savings market to continue in the remainder of 2013 and in 2014.

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 weighted average loan-to-value of the mortgage portfolio rose slightly to 83% as of 30 June 2013 (year-end 2012: 81%) due to the lower houses prices. Historically, mortgage-lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in the 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 the Group.

Market Shares in the Netherlands

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

Residential mortgages

For the six-month period ended 30 June 2013, the Group had a market share of 31.2% of the total amount of new home mortgages in the Dutch mortgage market by value (23.3% by Local Rabobanks, 7.7% by Obvion and 0.2% by Friesland Bank; source: Dutch Land Registry Office (Kadaster)).

The Group is the largest mortgage-lending institution in the Netherlands (measured by the Group's own surveys).

Saving deposits of individuals

As of 30 June 2013, the Group had a market share of 38.5% of the Dutch savings market (source: Statistics Netherlands (Centraal Bureau voor de Statistiek)). The Group is one of the largest savings institutions in the Netherlands measured as a percentage of the amount of saving deposits (source: Statistics Netherlands). Of the total saving deposits in the Netherlands, 36.4% are held by the Local Rabobanks, 1% are held by Robeco Direct's savings bank, Roparco, and 1.1% by Friesland Bank.

Lending to small and medium-sized enterprises

As of 30 June 2013, the Group had a market share of 44% of domestic loans to the trade, industry and services sector (*i.e.*, enterprises with a turnover of less than €250 million; measured by the Group's own surveys).

Agricultural loans

As of 31 December 2012, the Group had a market share of 85% of loans and advances made by banks to the Dutch primary agricultural sector (measured by the Group's own surveys).

Property, Plant and Equipment

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

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

Material Contracts

There are no material contracts which could result in any member of the Group being under an obligation or entitlement that is material to Rabobank Nederland's ability to meet its obligations to the holders of the Rabobank Participations and the Rabobank Certificates.

Insurance

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

Legal and Arbitration Proceedings

The Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the U.S., involving claims by and against the Group which arise in the ordinary course of its businesses, including in connection with the Group's activities as an insurer, lender, employer, investor, financial adviser, underwriter and taxpayer. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation of which the Group is aware over the previous 12 months, the Group believes that the ultimate outcome of the various proceedings and litigation already commenced or settled, or any threatened proceedings and litigation, will not have and have not had in the recent past significant effects on Rabobank Nederland's and/or the Group's financial position or profitability, given its size, balance sheet, income stream and provisioning policy.

The Group received subpoenas and requests for documents and information from various regulatory agencies and competition and criminal authorities in, inter alia, the Netherlands, the U.K., the U.S., Japan, Hong Kong, Singapore and Switzerland. The documents and information were requested as part of on-going investigations conducted by the relevant agencies and authorities and concern the LIBOR submission processes for various currencies and the EURIBOR submission process. The Group was at various times a member of eight of the ten LIBOR panels and the EURIBOR panel, and is a member of the LIBOR panels for three currencies: Pounds Sterling, U.S. dollar and euro. The Group was never a member of the Tokyo Interbank Offered Rate ("TIBOR") panel.

On 29 October 2013, the Group announced that it had entered into agreements with DNB, the DPP, the FCA, the CFTC, the DOJ and the JFSA, in connection with their investigations into the Group's historical LIBOR and EURIBOR submission processes.

The Group has agreed to pay settlement amounts to the DPP, FCA, CFTC and DOJ totalling approximately €774 million. Rabobank will pay the settlement amounts from its full year 2013 profit. A provision was made during the first half of the year 2013, which is almost sufficient to cover these amounts. Therefore, only a small amount will be charged to the second half year result of 2013.

The findings of the investigations were as follows:

- A number of the Group's employees had inappropriately sought to influence certain LIBOR and EURIBOR submissions between 2005 and 2010.
- Some of the Group's employees also inappropriately communicated with employees at other banks and brokers about certain LIBOR and EURIBOR submissions between 2005 and early 2011.
- In total, 30 employees were involved in, aware of, or should have been aware of the inappropriate conduct. The Group employs more than 60,000 people in 42 countries.
- During the period in which such inappropriate conduct occurred, the Group did not sufficiently appreciate the risks associated with the LIBOR and EURIBOR submission processes and did not have sufficient systems and controls in place.
- None of the most senior or executive managers were involved in the inappropriate conduct or were aware of it at the time. Nor did the Group engage in 'lowballing' (*i.e.*, the artificial suppression of LIBOR submissions in order to present a more positive financial picture of the bank).
- The Group cooperated fully with all authorities, and DNB, DPP, FCA, CFTC, DOJ and JFSA specifically acknowledged the Group's cooperation.

In response to the findings of the investigations, the measures taken by the Group are as follows:

- The Group has taken severe disciplinary measures against all of the employees who engaged in inappropriate conduct and who were still at the Group during the investigation.
- Those employees who were involved in serious misconduct have had their contracts of employment brought to an end. Other disciplinary action has included, in different combinations, formal warnings, financial sanctions, and the removal of managerial responsibilities. Bonuses have been partly or entirely reclaimed for the period 2009-2012, in the total amount of €4.2 million.
- The Group implemented systems and controls to govern its interest rate benchmark submission processes that reflect industry best practices, consistent with the most recent regulatory and banking industry guidance. This includes a requirement that the Group's submission processes be subject to regular internal and external audits.
- A program relating to conduct and culture, designed with the aid of external experts, has been rolled out globally within Rabobank International. This program is aimed at enhancing the Group's client-centred focus and strengthening its emphasis on integrity and compliance. A comparable program relating to conduct and culture will be implemented as soon as possible within Rabobank Nederland.
- Rabobank International has reviewed, and continues to review, business activities within its Global Financial Markets division with an eye to reducing risks, including compliance risks. As part of this project, the Group has already taken significant steps to discontinue certain product lines and exit certain markets where appropriate.

- The Group also has made, and continues to make, significant investments to strengthen its compliance, risk management and internal audit functions in order to address certain deficiencies identified by authorities. This effort, also undertaken with the assistance of external experts, includes a focus on improving collaboration between risk management personnel at Rabobank Nederland and Rabobank International, substantial increases in compliance staffing and numerous structural enhancements to the Group's compliance function, and a review of its audit function with a focus on ensuring that audit findings are addressed in a timely and effective manner.
- Even though no members of the Executive Board were aware of, or involved in, the inappropriate conduct, members of Executive Board have, as the leaders of the Group, voluntarily forfeited their entitlements to remuneration in an aggregate of €2 million.
- Mr Piet Moerland has also resigned as chairman of the Executive Board with immediate effect. Mr Rinus Minderhoud, a member of the Supervisory Board since 2002, and an experienced banker and executive, has taken over as interim chairman of the Executive Board as of 29 October 2013.
- The Group has also revised its approach to remuneration in order to further de-emphasize a focus on financial targets.

Rabobank Nederland, along with other panel banks, has been named as a defendant in a number of putative class action lawsuits and private individual civil suits pending in the U.S. that assert federal and state claims relating to USD LIBOR, Japanese yen LIBOR, TIBOR, and EURIBOR. Taking into account that these putative class actions and civil lawsuits create uncertainty, the Group believes these proceedings that include the Group as a defendant to be without merit. The Group intends to continue to vigorously defend against these lawsuits.

GROUP STRUCTURE

The Group (within the meaning of Section 2:24b DCC) is comprised of Rabobank Nederland, Rabobank Nederland's members being the Local Rabobanks in the Netherlands, and its subsidiaries and participations in the Netherlands and abroad.

Rabobank Nederland

General

The central institution of the Group is Rabobank Nederland. Rabobank Nederland is a licensed bank, in the legal form of a cooperative with limited liability for its members (*coöperatie B.A.*). It was established under the laws of the Netherlands. The commercial names of Rabobank Nederland are Rabobank Nederland, Rabobank International, Bizner Bank, Rabo Securities and Rabofacet.

The Executive Board is responsible for the management of Rabobank Nederland and of the Group as a whole. Executive Board members are appointed by the Supervisory Board. The Supervisory Board is responsible for the supervision of the management by the Executive Board. Supervisory Board members are appointed by the General Meeting. For further information regarding the governance of the Group, see "Management, Employees and Corporate Governance".

Rabobank Nederland was formed as a result of the merger of the Coöperatieve Centrale Raiffeisenbank and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was established with unlimited duration on 22 December 1970. The corporate seat of Rabobank Nederland is in Amsterdam, the Netherlands, and its registered office is at Croeselaan 18, 3521 CB Utrecht, the Netherlands (telephone number: +31 (0) 30 216 00 00). Rabobank Nederland is registered in the Commercial Register of the Chamber of Commerce for Midden-Nederland, the Netherlands (handelsregister van de Kamer van Koophandel en Fabrieken voor Midden Nederland) under number 30046259 0000.

Rabobank Nederland operates not only from Utrecht, but also from branches and representative offices all over the world. These offices all form part of the legal entity of Rabobank Nederland and focus on wholesale banking. Group branches are located in Sydney, Antwerp, Toronto, Grand Cayman, Beijing, Shanghai, Dublin, Frankfurt, Madrid, Paris, Mumbai, Milan, Tokyo, Labuan, Wellington, New York, Singapore, Hong Kong and London. Group representative offices are located in Mexico City, Buenos Aires, Moscow, Istanbul, Kuala Lumpur, Atlanta, Chicago, Dallas, San Francisco, Washington and St. Louis.

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 Nederland Articles, the corporate object of Rabobank Nederland is to promote the interests of its members. It shall do so by (i) promoting the establishment, continued existence and development of cooperative banks, (ii) conducting the business of banking in the widest sense, especially by acting as central bank for its members and as such entering into agreements with its members, (iii) negotiating rights on behalf of its members and, with due observance of the relevant provisions of these Articles, entering into commitments on their behalf, provided that such commitments have the same implications for all members, including, but not limited to, the entering into collective labour agreements on behalf of the members, (iv) participating in, managing and providing services to other enterprises and institutions, in particular enterprises and institutions operating in the fields of insurance, lending, investment and/or other financial services, (v) exercising control over the members pursuant to the FMSA, and (vi) performing acts, including juristic acts, that are conducive to the attainment of the objects specified under i, ii, iii, iv and v. Rabobank Nederland is furthermore authorised to extend its activities to parties other than its members.

Member influence

As a cooperative, Rabobank Nederland has members, not ordinary shareholders like companies do. The Local cooperative Rabobanks (see "– Local Rabobanks") are members of Rabobank Nederland and hence have an important role in the working of Rabobank Nederland's governance. In that context, a key element is the open and transparent culture, with clear accountability for the management and supervision and the assessment thereof. The influence and control of the Local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting.

Central Delegates Assembly

The Local Rabobank are organised geographically into 12 local committees (*Kringvergaderingen*) each with a board of six delegates. These board members together form the Central Delegates Assembly (*Centrale Kringvergadering*), consisting of 72 delegates, who meets at least four times a year. This Central Delegates Assembly has some specific powers of its own. It also advises on the subjects discussed at the General Meeting, in which each Local Rabobank has a number of votes according to an apportionment formula.

The members of the Central Delegates Assembly have largely been appointed – via local committees – by clients/members as their representative at the local and collective level. Ahead of every Central Delegates Assembly, the local committees discuss the matters placed on the agenda. In addition, the local committees themselves can submit items for their own meeting. The local committees and Central Delegates Assembly have a significant influence on the views adopted in Rabobank Nederland’s organisation, as they are involved, for instance, in policy preparation, policy-making and policy implementation.

The Central Delegates Assembly also considers other matters and is, for instance, authorised:

- to set rules to be complied with by all Local Rabobanks;
- to determine the Strategic Framework, through which it determines the Group’s strategic direction; and
- to approve the budget for the activities of Rabobank Nederland for the Local Rabobanks.

The Central Delegates Assembly will issue advice in advance on specific matters where decision-making is reserved by the Rabobank Nederland Articles to the General Meeting. It advises either the local committees, the Executive Board or the General Meeting.

The Central Delegates Assembly is a forum in which matters are discussed in great depth. This includes not only matters arising out of the specific roles and responsibilities of the Central Delegates Assembly, as the Central Delegates Assembly also acts as a sounding board. The discussions in the Central Delegates Assembly are also guided by the shared aim of consensus between the Local Rabobanks and Rabobank Nederland.

The Executive Board informs the Central Delegates Assembly of the policies pursued and discusses them with it. To enable it to operate responsively, the Central Delegates Assembly has appointed committees with specific responsibilities from among its members.

General Meeting

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

Local Rabobanks

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. The members of Rabobank Nederland, which comprise 136 Local Rabobanks in the Netherlands as of 30 June 2013, are all banking cooperatives in their own right.

Each Local Rabobank has a board of directors comprised of banking professionals that form the bank’s management. This board of directors is appointed by the local supervisory board with the approval of Rabobank Nederland. The board of directors operates under the supervision of the local supervisory board. The board of directors is composed in a balanced and complementary manner in order to ensure the management’s effectiveness. One of the board of directors’ key tasks is to ensure and safeguard member involvement and member influence.

Each Local Rabobank must hold shares (“**Shares**”) in Rabobank Nederland according to an apportionment formula. On a consolidated level, the shares are of no interest to the capital structure of Rabobank. As of the date of this Prospectus, approximately 6 million shares of €1,000 have been issued by Rabobank Nederland to the Local Rabobanks, creating own funds of Rabobank Nederland of approximately €6 billion. In 2013 no dividend was distributed to the Local Rabobanks. In previous years, such distributed dividends to the Local Rabobanks amounted to €493 million in 2012, €483 million in 2011, €438 million in 2010, €342 million in 2009 and nil in 2008. At the Group level, these dividend distributions did not have, and are not expected to have, any impact on capital.

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

The liability position of members of a cooperative is not comparable to the position of shareholders in a corporation for a number of reasons:

- Pursuant to the Rabobank Nederland Articles, if, in the event of Rabobank Nederland’s liquidation (whether by court order or otherwise), its assets prove to be insufficient to meet its liabilities, the Local Rabobanks (as members of Rabobank Nederland at the time of the liquidation), as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it is not possible to recover the share of one or more

liable members or former members to address the shortfall, the remaining members shall be liable in the same proportion for the amount not recovered. Under the Rabobank Nederland Articles, the total amount for which members or former members are liable shall never exceed 3% of its last adopted balance sheet total.

- A system of cross guarantees operates between the Local Rabobanks, Rabobank Nederland and a small number of its Dutch subsidiaries, which stipulates that, if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfil those obligations.¹
- The Local Rabobanks are also party to several compensation agreements whereby shortfalls of Local Rabobanks in respect of equity, profitability, loan loss reserves and financing losses are financed by charging all other Local Rabobanks.

Traditionally, an important role of Rabobank Nederland has been its function as a bankers' bank for the Local Rabobanks. The Local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each Local Rabobank's excess liquidity and which acts as treasurer to the Local Rabobanks.

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

Furthermore, Rabobank Nederland negotiates rights in the name of the Local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all Local Rabobanks (for instance, the entering into of collective labour agreements on behalf of the Local Rabobanks).

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

Notwithstanding the fact that Rabobank Nederland and the Local Rabobanks are supervised by DNB on a consolidated basis, it is based on Section 3:111 FMSA that Rabobank Nederland has responsibility for control of the Local Rabobanks and, amongst others, for ensuring compliance by the Local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that the Local Rabobanks, which cannot raise new capital by issuing shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any Local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such Local Rabobank's authority to make lending decisions within the Group's lending limits.

As of 30 June 2013, the 136 Local Rabobanks (at that time) had approximately 1.9 million members. The members of the Local Rabobanks are their customers but they do not make capital contributions to the Local Rabobanks and are not entitled to the equity of the Local Rabobanks. Such members are not liable for any obligations of the Local Rabobanks.

Local supervisory boards

The members of the local supervisory boards are nominated by the local supervisory boards and appointed by the members council of the relevant Local Rabobank. One of the main responsibilities of the local supervisory boards is to conduct supervision across the full breadth of the Local Rabobank.

This encompasses the policy of the board of directors and the general course of affairs relating to the Local Rabobank and its operations. The local supervisory board is authorised to rule on the general policy and to provide the board of directors with solicited and unsolicited advice. Major decisions made by the board of directors require the approval of the local supervisory board. It furthermore oversees compliance with the applicable legislation and regulations. Appointing, appraising, suspending and dismissing members of the board of directors are also the responsibility of the local supervisory board.

The local supervisory board and the board of directors of the Local Rabobank jointly represent the Local Rabobank in the committee meetings as a member of Rabobank Nederland.

Accountability for the supervision conducted by the local supervisory board is rendered in a meeting of the members council and through a report included in the annual report.

¹ References in this paragraph to the last adopted balance sheet total are to the unconsolidated balance sheet or the unconsolidated balance sheet total of a Local Rabobank drawn up by the board of a Local Rabobank at the end of the previous financial year, or if available, the consolidated balance sheet or the consolidated balance sheet total drawn up by the board of a Local Rabobank at the end of the previous financial year.

Members council

Each Local Rabobank has a members council in order to ensure that member control and influence are strongly and structurally embedded. A members council is a delegation from the total group of members who are chosen by and from the members and it therefore comprises a cross-section of the local community. A members council consists of 30 to 50 members. The board of directors engages the members council to assess its policy in order to make its services as suitable as possible. The members council influences and monitors the course of the Local Rabobank and forms the link to the bank's broad member basis. It performs an influential, sounding board, advisory and control role and serves as the link between the broad member basis on the one hand and the bank on the other.

The members council's activities include adopting the financial statements and appointing the members of the local supervisory board.

Material Subsidiaries or Other Interests

Rabobank Nederland also conducts business through separate legal entities, not only in the Netherlands but also worldwide. Rabobank Nederland is the (ultimate) shareholder of more than 1,800 subsidiaries and participations. These subsidiaries focus on retail banking (Rabobank Australia, Rabobank N.A., and Bank Gospodarki Żywnościowej), vendor leasing (De Lage Landen) and real estate services (Rabo Vastgoedgroep). Rabobank Nederland has assumed liability for debts arising from legal transactions for approximately 30 of its Dutch subsidiaries under Section 2:403 DCC. The table below provides an overview of Rabobank Nederland's material subsidiaries or other interests as of the date of this Prospectus.

Full legal name	Country	Share / voting rights
<i>The Netherlands</i>		
De Lage Landen International B.V.	The Netherlands	100%
Rabo Vastgoedgroep N.V.	The Netherlands	100%
Onderlinge Waarborgmaatschappij Rabobanken BA	The Netherlands	100%
Obvion N.V.	The Netherlands	100%
Friesland Bank N.V.	The Netherlands	100%
Rabohypotheekbank N.V.	The Netherlands	100%
Rabo Merchant Bank N.V.	The Netherlands	100%
Raiffeisenhypotheekbank N.V.	The Netherlands	100%
Schretlen & Co N.V.	The Netherlands	100%
Rabobank International Holding B.V.	The Netherlands	100%
<i>Other euro zone/EU countries</i>		
ACCBank Plc	Ireland	100%
Bank Gospodarki Żywnościowej S.A. ⁽¹⁾	Poland	98.5%
<i>North America</i>		
Rabobank Capital Funding LCC II to VI	U.S.	100%
Rabobank Capital Funding Trust II to VI	U.S.	100%
Utrecht America Holdings Inc.	U.S.	100%
<i>Australia and New Zealand</i>		
Rabobank Australia Limited	Australia	100%
Rabobank New Zealand Limited	New Zealand	100%

Note:

(1) On 5 December 2013, BNP Paribas Group and Rabobank Nederland announced that they have reached agreement for the transfer to BNP Paribas of the 98.5% stake held by Rabobank Nederland in Bank Gospodarki Żywnościowej, see "Business – Recent Developments – BNP Paribas Group acquires Bank Gospodarki Żywnościowej in Poland from Rabobank". Upon completion of the transaction Bank Gospodarki Żywnościowej will no longer be a material subsidiary of Rabobank Nederland.

Employee Influence within the Group

The Group attaches great value to consultations with the various employee representative bodies. Employee influence within the Group has been enabled at various levels. Issues concerning the business of Rabobank Nederland are handled by the works council (*ondernemingsraad*) of Rabobank Nederland (the “**Works Council**”). Subsidiaries such as De Lage Landen, Orbay and Rabo Vastgoedgroep each have their own works councils with consultative powers on matters concerning these enterprises. In addition, each Local Rabobank has its own works council to discuss matters concerning that particular Local Rabobank.

The group works council of member banks (GOR AB) is a cooperative-structure based employee representative body that represents the interests of the employees of the Local Rabobank on issues that concern all the Local Rabobank or a majority thereof. In the case of a proposed decision, as defined in the Dutch Works Councils Act (*Wet op de ondernemingsraden*), that affects the majority of the Local Rabobank, it is submitted for approval or advice to the group works council of member banks. In the case of a proposed decision that does not affect the majority of all Local Rabobanks, the group works council of member banks does not interfere with the position of the works councils of the Local Rabobank.

The Group also has an employee representative body at a European level, the European Working Group (EWG), in which employees of the Group’s offices from the EU member states are represented. The European Working Group holds discussions with the Executive Board at least twice a year about developments within the Group. This does not affect the role of the national employee representative bodies.

RISK MANAGEMENT*

The Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within the Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (the “**BRMC-RG**”) in cooperation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Executive Board on all relevant issues regarding risk management. The Group Operational Risk Committee (GORC) focuses on operational risks, whereas the Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management department. These committees report to the Executive Board, which is ultimately responsible for risk management within the Group.

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

Risk Adjusted Return On Capital (RAROC)

Relating the profit achieved on a certain activity to the capital required for that activity produces the RAROC. RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across the Group’s business activities and entities assists the Group in striking a balance between risk, returns and capital for both the Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify the Group’s activities also plays a role in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the six-month period ended 30 June 2013, Rabobank Nederland realised a RAROC after tax of 9%.

Credit Risk

The 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. As of 30 June 2013, 48% of the Group’s credit loan portfolio to the private sector consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms (year-end 2012: 48%, 30 June 2012: 48%, year-end 2011: 47%, year-end 2010: 48%). The remaining 52% was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the total exposure including the requested financing determining the applicable committee level. The Executive Board itself decides on the largest credit applications. The Group has three Policy Credit Committees (“**PCC**”): The Group PCC and the Rabobank International and Local Rabobanks PCCs. The Group PCC establishes the Group’s credit risk policy. The Group entities define and establish their own credit policies within this framework. In this context, the Local Rabobanks PCC is responsible for domestic retail banking and the Rabobank International PCC for wholesale banking and international retail banking. The Group PCC is chaired by the CFO and the Executive Board is represented by three members. The CFO also chairs the Rabobank International and Local Rabobanks PCCs. The PCCs are composed of representatives from the Group’s most senior management levels. For corporate loans, a key concept in the Group’s policy for accepting new clients is the “know your customer” principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by the Group. In addition, the Group is familiar with the industry in which a client operates and can assess its clients’ financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

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

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

The Group uses the Advanced IRB approach for credit risk. This is the most risk-sensitive form of the Basel II Credit Risk approach. The Group has professionalised its risk management even further by combining Basel II (as defined in “Regulation of the Group”) compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are Exposure At Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). It is partly on the basis of these parameters that the Group determines the economic capital and the RAROC. These Basel II parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the Basel II parameters and RAROC support credit analysts and the Credit Committees in making well-considered decisions. Every Group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

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

Exposure At Default is the expected exposure to the client in the event of, and at the time of, a counterparty’s default. As of 30 June 2013, the Exposure At Default of the total Advanced IRB loan portfolio was €613 billion (year-end 2012: €606 billion 30 June 2012: €613 billion; year-end 2011: €606 billion, year-end 2010: €546 billion). This Exposure At Default includes the expected future usage of unused credit lines. As part of its approval process the Group uses the Rabobank Risk Rating system, which indicates the counterparty’s Probability of Default 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. As of 30 June 2013, the weighted average Probability of Default of the total Advanced IRB loan portfolio was 1.06% (year-end 2012: 1.03%; 30 June 2012: 1.03%, year-end 2011: 1.06%, year-end 2010: 1.21%).

The table below shows the impaired loans (*i.e.*, the amount of loans for which an allowance has been taken) as of 30 June 2013, 31 December 2012, 2011 and 2010 per business unit as a percentage of private sector loans:

	As of 30 June,	As of 31 December,		
	2013	2012	2011	2010
		<i>(in percentages)</i>		
Domestic retail banking	2.1	1.73	1.54	1.56
Wholesale banking and international retail banking .	3.2	3.35	3.46	3.25
Leasing.....	3.1	3.18	3.10	3.93
Real estate.....	10.5	8.24	5.53	4.40
The Group	2.8	2.47	2.25	2.16

Bad Debt Costs

Once a loan has been granted, on-going credit management takes place as part of which new information, both financial and non-financial, is assessed. The bank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within the 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 table below sets forth the Group’s bad debt costs for the six-month period ended 30 June 2013 and 30 June 2012 and for the three years ended 31 December 2012, 2011 and 2010, per business unit as a percentage of private sector lending:

	Six-month period ended		Year ended 31 December,		
	30 June,		2012	2011	2010
	2013	2012	2012	2011	2010
	<i>(in percentages)</i>				
Domestic retail banking	0.41	0.40	0.44	0.22	0.13
Wholesale banking and international retail banking .	0.44	0.59	0.59	0.73	0.64
Leasing.....	0.59	0.57	0.53	0.58	0.90
Real estate.....	1.80	1.05	1.24	0.69	0.36
The Group	0.49	0.49	0.52	0.37	0.29

Structured Credit

The Group's trading and investment portfolios have limited direct exposure to more structured investments, which amounted to €4 billion as of 31 December 2012, compared to €4.6 billion as of 31 December 2011 (year-end 2010: €5.8 billion), of which the majority, 76% (year-end 2011: 79%, year-end 2010: 89%), is single A-rated or higher.

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. The creditworthiness of a number of monoline insurers is subject to downward pressure, which was also reflected by the downgrading of the credit ratings of these institutions. Counterparty risk relating to these monoline insurers arises in case the value of the credit default swaps with these counterparties increases, due to a decrease of the fair value of the underlying investments, or because other insured investments can lead to payment claims against these insurers. In this the credit quality of the investments and time-related aspects are taken into account. As of 31 December 2012, the total counterparty risk before provisions amounted to €728 million (year-end 2011: €1,313 million, year-end 2010: €1,330 million). The total provisions on that date ended up at €634 million (year-end 2011: €1,140 million, year-end 2010: €1,114 million). The remaining counterparty risk as of 31 December 2012 amounted to €94 million (year-end 2011: €173 million, year-end 2010: €216 million).

Given these figures, further downgrades of monoline insurers would have a limited impact, because, for the major part of this type of counterparty, risk provisions have already been made.

Country Risk

The Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

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

At the Group level, the country risk outstanding, including additional capital requirements for transfer risk, is reported every quarter to the BRMC-RG and the Country Limit Committee. The calculations of additional capital requirements for transfer risk are made in accordance with internal guidelines and cover all countries where transfer risk is relevant. Since concerns about the euro increased, the outstanding country risk, including the sovereign risk for relevant countries, has been reported on a monthly basis. Special Basel II parameters, specifically Exposure at Transfer Event (EATE), Probability of Transfer Event (PTE) and Loss Given Transfer Event (LGTE), are used to calculate the additional capital requirement for transfer risk. These calculations are made in accordance with internal guidelines and cover all countries where risk is relevant.

As of 31 December 2012, the collective debtor risk for non-OECD countries was €24.6 billion and the net transfer risk before provisions for non-OECD countries was €10.7 billion, which corresponds to 1.4% of total assets (2011: 1.7%, 2010: 1.4%).

Risk in non-OECD countries

Regions						31 December 2012	
	Europe	Africa	Latin America	Asia/Pacific	Total	As % of total assets	
<i>(in millions of euros)</i>							
Economic country (exclusive of derivatives	913	542	9,685	13,425	24,565	3.3%	
Risk-mitigating components:.....							
- local currency.....	154	124	6,532	3,646	10,457		
- third-party coverage of country	154	187	288	285	914		
- deductions for transactions with lower risk	0	57	490	1,911	2,457		
Net country risk before allowance.....	605	174	2,375	7,582	10,737	1.4%	
						As % of total allowance	
Total allowance for economic country risk.....	2	0	172	141	315	8.2%	

As of 30 June 2013, the Group's exposure to government bonds issued by Ireland, Italy and Spain was €144 million (year-end 2012: €202 million, year-end 2011: €260 million). Rabobank Nederland no longer holds government bonds issued by Greece and Portugal. The exposure to bonds issued by banks in these countries are mainly Spanish covered bonds backed by additional collateral provided by the issuer. No newly acquired bonds are subject to impairment.

Government exposure as of 30 June 2013

Country	Government bonds	State-guaranteed bonds	Bonds issued by financial institutions	Total	Cumulative changes through profit or loss as of 30 June 2013
<i>(in millions of euros)</i>					
Greece.....	—	47	—	47	12
Ireland.....	7	—	41	48	—
Italy.....	133	—	57	190	—
Portugal.....	—	—	—	—	—
Spain.....	4	—	1,417	1,421	67
Total.....	144	47	1,516	1,706	79

Based on the accounting policies, it was established that impairments needed to be recognised with respect to the bonds guaranteed by the Greek government and some bonds issued by banks, and these positions have been written down to the market value as of 30 June 2013. The effect on the result in the first half of 2013 was very limited. Except for the positions in Dutch, German and French government bonds, the exposure to government bonds issued by other European countries is very low in relative terms; the Group does not have any exposure to Cyprus, Hungary or Romania.

Interest Rate Risk

The 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. The Group uses three indicators for managing, controlling and limiting short- and long-term interest rate risk: Basis Point Value (the "BPV"), Income at Risk (IatR) and Equity at Risk (EatR). Based on the BPV, Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to the Group's interest rate risk profile.

The Group's short-term interest rate risk can be quantified by looking at the sensitivity of net interest income (interest income less interest expenses, before tax) for changes in interest rates. This Income at Risk figure represents the change in net interest income for the coming 12 months, due to parallel increases/decreases in interest rates, assuming no management intervention. The Income at Risk calculation also takes account of changes in client savings and prepayments behaviour in reaction to interest rate movements and changes in the pricing policy of savings products. In the past, the applied interest rate scenarios were based on the assumption that all money and capital market interest rates will show an even and parallel increase/decline by 200 basis points during the first 12 months. Given the low interest rate environment and the assumption that interest rates cannot become negative, the methodology which assumed a 200 basis point decline has been replaced by an alternative methodology that assumes an interest rate decline by 75 basis points in 2011 and 5 basis points in 2012. The simulation of the possible net interest income development is based on an internal interest rate risk model. This model includes certain assumptions regarding the interest rate sensitivity of products with interest rates that are not directly linked to a certain money or capital market rate, such as savings of private customers.

The Group's long-term interest rate risk is measured and controlled based on the concept of Equity at Risk, which is the sensitivity of the Group's economic value of equity to an instant parallel change in interest rates of 200 basis points. The economic value of equity is defined as the present value of the assets less the present value of the liabilities plus the present value of the off-balance sheet items. In the Equity at Risk calculation, client behaviour and the bank's pricing policy are supposed to show no changes, while all market interest rates are assumed to increase by 100 basis points at once. Just as in the Income at Risk calculation, the impact analysis of these scenarios is based on an internal interest rate risk model. In that model, balance sheet items without a contractual maturity, like demand savings deposits and current accounts, are included as a replicating portfolio. Equity at Risk is expressed as a percentage. This percentage represents the deviation from the economic value of equity at the reporting date.

The Income at Risk and Equity at Risk for the Group were as follows:

	Year ended 31 December,	
	2012	2011
	5 bp decline	75 bp decline
Income at Risk (€million)	(18)	(216)
Equity at Risk	1.4%	2.2%

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

Liquidity Risk

Liquidity risk is the risk that a bank will not be able to fulfil all its payment and repayment obligations on time, as well as the risk that it will at some time be unable to fund increases in assets at a reasonable price, if at all. Responsibility for the day-to-day management of liquidity exposures, the raising of professional funding on the money market and the capital market, and the management of the structural position lies with the Group's Treasury department, which reports to the CFO. In keeping with the Basel principles, the policy is aimed at financing long-term loans by means of stable funding, specifically amounts due to customers and long-term funding from the professional markets. The Group's funding and liquidity risk policy also entails strictly limiting outgoing cash flows at the wholesale banking business, maintaining a large liquidity buffer and raising sufficient long-term funding in the international capital market. The retail banking division is assumed to be largely self-funding as a result of money raised from customers. The division raised more than enough money to fund operations in 2012, due to growth in amounts due to customers at the retail banking division outpacing growth in lending.

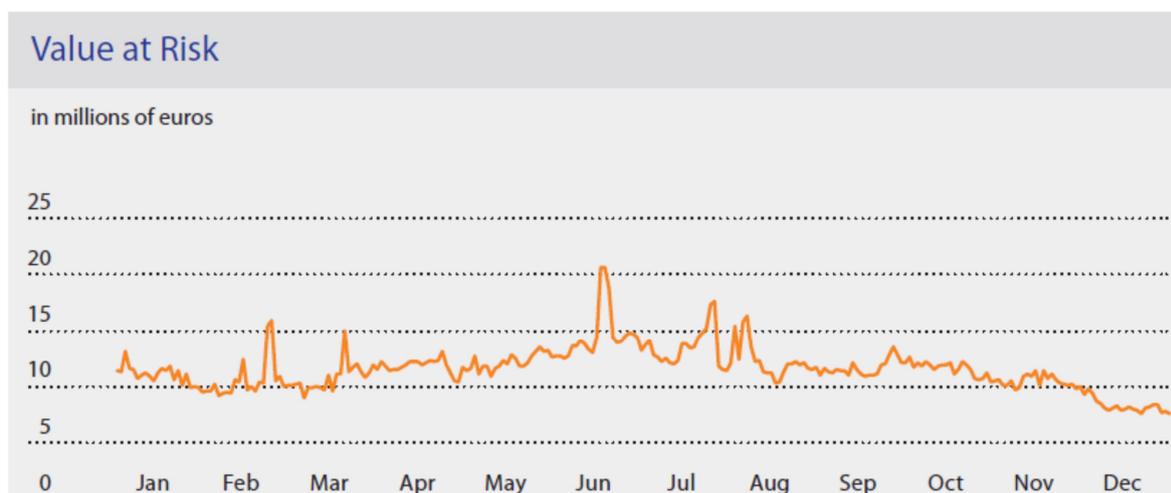
Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group. Rabobank Nederland has developed several methods to measure and manage liquidity risk, including a method for calculating the survival period, *i.e.*, the period that the liquidity buffer will hold up under severe market-specific or idiosyncratic stress. In the most severe stress scenario, it is assumed that the Group no longer has access to the capital markets, *i.e.*, no long- or short-term debt can be issued or refinanced. During 2012, Rabobank Nederland more than satisfied the minimum survival period of three months in all the internally used scenarios.

Market Risk

Market risk relates to the change in value of the Group's trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors the Group's worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by DNB. The Group's risk models are based on the 'Value at Risk' concept. Value at Risk describes the maximum possible loss that the Group can suffer within a defined holding period, based on historical market price changes and a given certain confidence interval. Value at Risk within the Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These "event risk scenarios" measure the effect of sharp and sudden changes in market prices. Value at Risk and event risk are tied to limits that are set by the Executive Board on an annual basis.

For the year ended 31 December 2012, the Value at Risk, based on a one-day holding period and 97.5% confidence level, fluctuated between €7.6 million (2011: €10 million, 2010: €9 million) and €20.6 million (2011: €24 million, 2010: €18 million), with an average of €11.6 million (2011: €16 million, 2010: €14 million). The slight decrease of the average Value at Risk compared to 2011 follows from changes in positions and activities.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, also other risk indicators are also used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Market Risk department, as well as the BRMC-RG, in evaluating the Group's market positions.



Source: Group Annual Report 2012

Operational Risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and systems or from external events. Possible legal and reputational risks are included while assessing and managing operational risks. The Group has a group-wide operational risk policy and it applies the Advanced Measurement Approach to its operational risk framework. The group-wide operational risk policy is based upon the principle that the primary responsibility for managing operational risks lies with the Group entities and should be interwoven in the strategic and daily decision-making. The management of each Group entity is responsible for developing policies and procedures to manage their specific operational risks in line with the Group Operational Risk Management policy. Group Risk Management – Operational Risk Management (GRM-ORM) offers overview, support tools, expertise and challenge to the group entities and provides transparency in the Group to senior management. Examples of the instruments made available to facilitate operational risk management within each Group entity include risk assessment and scenario analysis. All entities record operational incidents and report them on a quarterly basis to the Group Operational Risk department which are in turn used for both operational risk management and measurement.

See "Business – Legal and Arbitration Proceedings" for information relating to the investigations concerning LIBOR submission processes for various currencies and the EURIBOR submission process.

Currency Risk

Currency risk is the risk of changes in income or equity as a result of currency exchange movements. In currency risk management, a distinction is made between positions in trading books and positions in banking books. In the trading books, currency risk is part of market risk and is controlled using Value at Risk and other limits, as are other market risks. This risk is monitored on a daily basis. The policy aims to prevent open positions whenever possible. The value at risk from currency risk exposure in the trading books stood at €0.8 million as of 31 December 2012 compared to €1.3 million as of 31 December 2011. The non-trading books are only exposed to the translation risk on capital invested in foreign activities and on issues of hybrid equity instruments not denominated in euros. To monitor and manage translation risk, the Group follows a policy of protecting equity against exchange rate fluctuations.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set forth in “Selected Historical Financial and Operational Information” and the Group’s audited consolidated financial statements and the accompanying notes, and the Group’s unaudited condensed consolidated interim financial information and the accompanying notes, which are incorporated by reference into this Prospectus.

For a discussion of the presentation of the Group’s historical financial information included or incorporated by reference into this Prospectus, see “Important Information – Presentation of Financial and Other Information”. Except as otherwise stated, this Operating and Financial Review is based on the audited consolidated financial statements for the years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with IFRS, and the unaudited condensed consolidated interim financial information for the six-month periods ended 30 June 2012 and 30 June 2013 of the Group prepared in accordance with IAS 34. Certain figures for the Group at and for the years ended 31 December 2010 and 31 December 2011 included in the following discussion have been restated as a result of changes in accounting policies and presentation. See under “– Change in accounting policies” for further information. As of 2005, the financial statements have been prepared in accordance with IFRS. The financial data in the (sub) paragraphs in this chapter marked with an asterisk () have not been directly extracted from the audited financial statements but instead are unaudited and derived from the condensed consolidated interim financial information or accounting records of Rabobank Nederland, unless otherwise stated.*

Overview*

The Group is an international financial service provider operating on the basis of cooperative principles. As of 30 June 2013, it comprised Rabobank Nederland and its subsidiaries and 136 independent Local Rabobanks. The Group operates in 42 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on maintaining the Group’s position in the Dutch market and, internationally, on food and agri. The Group believes that its entities have strong interrelationships due to the Group’s cooperative structure.

The Group’s stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor’s, Moody’s, Fitch and DBRS), see “Business – Recent Developments – Ratings”. In terms of tier 1 capital, the Group is among the world’s 30 largest financial institutions (source: The Banker).

The Group’s cooperative core business comprises independent Local Rabobanks, which are banking organisations in their own right. Clients can become members of their Local Rabobank. In turn, the Local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. For more information see “Group Structure”. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the Local Rabobanks. With 802 branches and 2,735 cash-dispensing machines as of 30 June 2013, the Local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the Local Rabobanks serve approximately 6.7 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

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

Historically, the Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, the 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, the Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. The Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

As of 30 June 2013, the Group had total assets of €698.4 billion, a private sector loan portfolio of €454.4 billion, amounts due to customers of €339.8 billion (of which savings deposits total €156.1 billion), and equity of €40.7 billion. Of the private sector loan portfolio, €220 billion, virtually all of which were mortgages, consisted of loans to private individuals, €143.8 billion of loans to the trade, industry and services sector and €90.6 billion of loans to the food and agri sector. As of 30 June 2013, its core tier 1 ratio, which is the ratio between core tier 1 capital and total risk-weighted assets, was 12.9% and its tier 1 ratio, which is the ratio between tier 1 capital and total risk-weighted assets, was 16.9%. For the six-month period ended 30 June 2013, the Group’s efficiency ratio, which is the ratio between total operating expenses and total income, was 65.8%, and the return on equity, or net

profit expressed as a percentage of tier 1 capital, was 5.8%. For the six-month period ended 30 June 2013, the Group realised a net profit of €1,112 million and a Risk Adjusted Return On Capital of 9% after tax. As of 30 June 2013, the Group employed 59,506 FTEs. For the year ended 31 December 2012, the rate of absenteeism was 3.6%.

Material Factors Affecting Results of Operations*

The Group believes that the following factors have contributed significantly to the development of its business and results of operations. It believes that they will continue to have a significant effect thereon in the future.

General market conditions

The Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. Banks are still facing persistent turmoil in the financial markets. In the first quarter of 2013, the Dutch state nationalised the bank and insurance group SNS Reaal. This rescue highlights the fragility of European banks and the continued exposure of taxpayers to European banks five years after the financial crisis first erupted. During 2012, the contraction of the Dutch economy negatively impacted the Group's growth in lending and resulted in loan losses above the Group's long-term average. It is expected that 2013 will be another difficult year for the Dutch economy. Due to competition for savings in the Netherlands, rates on deposits remained relatively high in 2012. This had a negative impact on the financial results of the Group. Competition for savings is likely to continue in the second half of 2013 and in 2014.

In 2012, 67% of the Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on the Group's operations. However, because of the Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets the Group focuses on, *i.e.*, principally food and agri, have historically been impacted by business cycles only in a limited way.

Although the Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or the Group's other major markets could have a material negative impact on its results of operations. See "Risk Factors – The Group is particularly exposed to changes in general economic conditions in the Netherlands and globally. A deterioration in economic conditions, or the Group's inability to accurately predict or respond to such developments could have a material adverse effect on the Group's prospects, business, financial condition and results of operations".

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect the Group's results. For example, a low interest rate environment could adversely affect the Group's results, as due to the structure of its balance sheet, the Group has a significant level of non- and low-interest bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether the Group's interest-earning assets re-price at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may start an upward trend if the European sovereign debt crisis is resolved, the Group expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in the remainder of 2013 and in 2014, with a corresponding impact on the Group's results.

The Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

Critical accounting policies

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

Value adjustments

The Group regularly assesses the adequacy of the allowance for loan losses by performing on-going evaluations of the loan portfolio. The Group's policies and procedures to measure impairment are IFRS compliant. The Group considers a loan to be impaired when, based on current information and events, it is likely that the Group will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

The Group distinguishes:

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

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

The Provisioning Committee headed by the CFO decides twice a year on allowance-taking for all impaired loans above a certain threshold (currently over €45 million) or with an allowance above a pre-determined threshold (currently over €15 million).

Trading activities

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

Change in accounting policies

As a result of changes in accounting policies and presentation, certain figures for the Group and for the segment asset management for the year ended 31 December 2011 in this Prospectus have been restated (see the Consolidated Financial Statements 2012 of the Group, under note 2.1.1, "Changes in accounting policies and presentation"). Where the year ended 31 December 2012 is compared with the year ended 31 December 2011, the restated figures for 2011 are discussed. Where the year ended 31 December 2011 is compared with the year ended 31 December 2010, the non-restated figures for 2011 are discussed.

Results of Operations

The table below sets forth certain summarised financial information for the Group for the periods indicated:

	Six-month period ended		Year ended 31 December,			
	30 June,*		2011			
	2013	2012	2012	(restated)	2011	2010
			<i>(in millions of euro)</i>			
Interest	4,455	4,473	9,097	9,174	9,229	8,614
Fees and commission	1,046	1,169	2,206	2,361	2,981	2,831
Other income	944	1,241	2,149	1,171	1,168	1,271
Total income	6,445	6,883	13,452	12,706	13,378	12,716

	Six-month period ended 30 June,*		Year ended 31 December,			
	2013	2012	2012	2011 (restated)	2011	2010
			<i>(in millions of euro)</i>			
Staff costs	2,634	2,773	5,325	4,862	5,141	4,919
Other administrative expenses	1,352	1,364	2,979	2,850	3,001	2,706
Depreciation and amortisation	257	254	527	540	578	571
Operating expenses	4,243	4,391	8,831	8,252	8,720	8,196
Gross result.....	2,202	2,492	4,621	4,454	4,658	4,520
Value adjustments.....	1,106	1,096	2,350	1,606	1,606	1,234
Bank tax expense	—	—	196	—	—	—
Operating profit before taxation	1,096	1,396	2,075	2,848	3,052	3,286
Taxation.....	82	180	160	355	425	514
Net profit from continued operations.....	1,014	1,216	1,915	2,493	2,627	2,772
Net profit from discontinued operations	98	71	197	134	—	—
Net profit	1,112	1,287	2,112	2,627	2,627	2,772

Comparison results of operations for the six-month periods ended 30 June 2013 and 30 June 2012*

Total income. the Group's total income decreased 6% in the first half of 2013, falling to €6,445 million compared to €6,883 million in the first half of 2011.

Interest. Interest income remained flat in the first half of 2013 at €4,455 million compared to €4,473 million in the first half of 2012.

Fees and commission. Group fees and commission income decreased by 11% in the first half of 2013, falling to €1,046 million compared to €1,169 million in the first half of 2012. This decrease was partly due to the loss of the income of Sarasin, the sale of which was completed in July 2012.

Other results. Other results decreased by 24% in the first half of 2013, falling to €944 million compared to €1,241 million in the first half of 2012. There was an increase in other results as a result of the new pension scheme, which was offset by the formation of a provision for LIBOR, larger impairments on land, the lower result from hedge accounting and developments in the yield curve.

Operating expenses. Operating expenses decreased by 3% in the first half of 2013, falling to €4,243 million compared to €4,391 million in the first half of 2012. While the sale of Sarasin and cost control had the effect of reducing costs, this was offset by a significant investment in innovation in order to achieve the Vision 2016 in the domestic retail banking division and the increased costs of reorganisation by the local Rabobanks and Rabo Vastgoedgroep.

Staff Costs. Following the completion of the sale of Sarasin at the end of July 2012, Sarasin's expenses were no longer included in the figures for staff costs. Partly due to this, staff costs decreased by 5% in the first half of 2013, declining to €2,634 million compared to €2,773 million in the first half of 2012.

Other administrative expenses. Other administrative expenses decreased by 1% in the first half of 2013, falling to €1,352 million compared to €1,364 million in the first half of 2012. Other administrative expenses rose due to higher costs of innovation stemming from further development of virtual customer service as part of Vision 2016 and reorganisation costs at Rabo Vastgoedgroep as a consequence of the decision to phase out commercial real estate development activities. However, this increase was offset by the sale of Sarasin.

Depreciation and amortisation. Depreciation and amortisation increased by 1% in the first half of 2013, rising to €257 million compared to €254 million in the first half of 2012.

Value adjustments. The continuing difficult economic situation in the Netherlands led to higher unemployment and increased incidence of payment problems among retail customers. The negative mood in trade, industry and services continued to affect the property sector, and in addition, low domestic spending caused difficulties in sectors focusing on the domestic retail market. The inland shipping sector also continued to

experience difficulties. In the food and agri sector, the problems in greenhouse horticulture continued. These developments were particularly visible in the bad debts at the Local Rabobanks and Rabo Vastgoedgroep. For Rabobank International, with a more internationally diversified portfolio, the level of bad debts actually declined. On aggregate, value adjustments were up 1% at Group level, rising to €1,106 million in the first half of 2013 compared to €1,096 million in the first half of 2012. At 49 basis points of average lending (in the first half of 2012: 49 basis points), bad debt costs were 21 basis points above the long-term average of 28 (based on the period 2003 to 2012).

Taxation. The recognised tax expense was €82 million compared to €180 million in the first half of 2012, which corresponds to an effective tax rate of 7.5% (first half of 2012: 12.9%). The decrease in tax rate was due, in particular, to a large tax-exempt income item arising from the sale of Robeco in the remainder of 2013.

Net Profit. Net profit decreased by 14% in the first half of 2013, falling to €1,112 million compared to €1,287 million in the first half of 2012. Net of payments on Rabobank Certificates, hybrid equity instruments and other non-controlling interests, a profit of €550 million (in the first half of 2012: €660 million) remains. This amount was used to further strengthen the Group's capital position.

Comparison results of operations for the years ended 31 December 2012 and 31 December 2011

Total income. The Group's total income increased 6% in 2012, rising to €13,452 million compared to €12,706 million in 2011.

Interest. Competition in the Dutch savings market was fierce. Lower margins on saving deposits caused interest income to fall by 1% to €9,097 million in 2012 compared to €9,174 million in 2011.

Fees and commission. Insurance and securities commissions at the Local Rabobanks were down. In addition, as a result of the sale of Swiss-based private bank Sarasin to Safra, Sarasin no longer contributed to commission income as of August 2012. Due, in part, to these developments, commission income decreased 7% to €2,206 million in 2012 compared to €2,361 million in 2011.

Other income. Other income increased significantly in 2012 to €2,149 million compared to €1,171 million in 2011. Interest rate developments, which led to a steepening of the yield curve and gains on hedge accounting, had a positive effect on other income. The same held true for the completion of the sale of the shares in Yes Bank and Sarasin, for improvements in the share of the profits of Achmea, and for the acquisition of Friesland Bank. This was counteracted by the fact that the fall in credit spread on the Group-issued structured notes and high impairment losses on property developments had a negative effect on other income. These developments drove the 84% increase in other income.

Operating expenses. The Group's operating expenses rose by 7% in 2012 to €8,831 million compared to €8,252 million in 2011, mainly due to an increase in staff costs.

Staff costs. Staff costs increased by 10% to €5,325 million in 2012 compared to €4,862 million in 2011 because of an increase in pension costs in the Netherlands, the U.K. and the U.S., and a temporary increase in outside staff. These costs also rose due to routine pay increases.

Other administrative expenses. Other administrative expenses rose by 5% to €2,979 million in 2012 compared to €2,850 million in 2011. The acquisition of Friesland Bank and an increase in consultancy fees at Rabobank International caused an increase in other administrative expenses, whereas the completion of the sale of Sarasin produced a drop in these expenses.

Depreciation and amortisation Depreciation and amortisation charges decreased 2% to €527 million in 2012 compared to €540 million in 2011. The sale of Sarasin was instrumental in the 2% drop.

Value adjustments. Because of the challenging economic climate in the Netherlands and the weak property market, a relatively high number of trade, industry and services customers and customers operating in the property sector experienced financial difficulties. This situation forced the Group to increase its provisions, particularly at the Local Rabobanks and FGH Bank. In the aggregate, value adjustments were up 46% at Group level, rising to €2,350 in 2012 compared to €1,606 million in 2011. At 52 basis points of average lending (2011: 37 basis points), bad debt costs were 27 basis points above the long-term average of 25 basis points (based on the period 2002 to 2011).

Bank tax. The bank tax led to an additional expense item for the Group of €196 million in 2012. The bank tax did not exist in 2011.

Taxation. The recognised tax expense was €160 million in 2012 compared to €355 million in 2011, which corresponds to an effective tax rate of 7.7% (2011: 12.5%).

Net profit. Net profit decreased by 20% to €2,112 million in 2012 compared to €2,627 million in 2011. An amount of €897 million (2011: €1,549 million) remains net of non-controlling interests and payments on Rabobank Certificates and hybrid equity instruments. This amount was used to improve the Group's capital position.

Comparison results of operations for the years ended 31 December 2011 and 31 December 2010

Total income. The Group's total income increased 5% in 2011, rising to €13,378 million compared to €12,716 million in 2010.

Interest. Due to an increase in lending and higher margins at De Lage Landen and FGH Bank, interest income increased 7% to €9,229 million in 2011 compared to €8,614 million in 2010.

Fees and commission. Commission increased 5% to €2,981 million in 2011 compared to €2,831 million in 2010, as commissions on payment transactions and loans increased.

Other income. Other income fell significantly in 2011 to €1,168 million compared to €1,271 million in 2010. Impairments on land suffered by the real estate business and lower income from the equity interest in Achmea drove the 8% drop in other income.

Operating expenses. The Group's operating expenses rose by 6% in 2011 to €8,720 million compared to €8,196 million in 2010, mainly due to an increase in other administrative expenses and staff costs.

Staff costs. Staff costs increased by 5% to €5,141 million in 2011 compared to €4,919 million in 2010. Staff costs rose due to a larger employee base, periodic salary increases and higher pension costs.

Other administrative expenses. Other administrative expenses rose by 11% to €3,001 million in 2011 compared to €2,706 million in 2010. The administrative expenses rose, in part, due to higher IT and marketing expenses.

Depreciation and amortisation. Depreciation and amortisation charges increased 1% to €578 million in 2011 compared to €571 million in 2010.

Value adjustments. The Group saw its bad debt costs increase in 2011 as a result of the climate of economic adversity. Various customer groups suffered the consequences thereof in the second half of 2011 in particular. The continuing poor property market conditions fuelled a rise in bad debt costs in the commercial real estate business. Rabobank International's bad debt costs remained high because of sustained losses suffered by Irish-based ACCBank due to the weak economy and property market. The Local Rabobanks were forced to form additional provisions for greenhouse horticulture in 2011 as a result of the EHEC crisis, pursuant to which the EHEC-bacteria caused problems for a part of the Group's customers in the Dutch greenhouse horticulture sector. In total, value adjustments were up 30% at Group level, rising to €1,606 million in 2011 compared to €1,234 million in 2010. At 37 basis points of average lending (2010: 29 basis points), bad debt costs were 13 basis points above the long-term average of 24 basis points (based on the period 2001 to 2010).

Taxation. The recognised tax expense was €425 million in 2011 compared to €514 million in 2010, which corresponds to an effective tax rate of 13.9% (2010: 15.6%).

Net profit. Net profit decreased by 5% to €2,627 million in 2011 compared to €2,772 million in 2010. An amount of €1,549 million (in 2010: €1,846 million) remains net of non-controlling interests and payments on Rabobank Certificates and hybrid equity instruments. This amount was used to improve the Group's capital position.

Segment Discussion*

Domestic retail banking

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

	Six-month period ended 30		Year ended 31 December,		
	June,		2012	2011	2010
	2013	2012			
			<i>(in millions of euro)</i>		
Interest	2,579	2,478	5,180	5,218	4,894
Commission	705	690	1,344	1,357	1,321
Other results	526	323	765	366	294

	Six-month period ended 30		Year ended 31 December,		
	June,				
	2013	2012	2012	2011	2010
	<i>(in millions of euro)</i>				
Total income	3,810	3,491	7,289	6,941	6,509
Staff costs	1,206	1,220	2,454	2,258	2,161
Other administrative expenses	1,092	828	1,755	1,609	1,553
Depreciation and amortisation	70	70	151	119	119
Operating expenses	2,368	2,118	4,360	3,986	3,833
Gross result	1,442	1,373	2,929	2,954	2,676
Value adjustments.....	629	600	1,329	648	358
Bank tax	—	91	91	—	—
Operating profit before taxation	813	773	1,509	2,307	2,318
Taxation	198	138	205	454	475
Net profit	615	635	1,304	1,853	1,843

Comparison results of operations domestic retail banking for the six-month periods ended 30 June 2013 and 30 June 2012

Total income. Domestic retail banking total income increased by 9%, rising to €3,810 million in the first half of 2013, compared to €3,491 million in the first half of 2012.

Interest. Interest income increased 4% to €2,579 million in the first half of 2013, compared to €2,478 million in the first half of 2012, driven in part by a partial recovery of margins on customer savings deposits.

Fees and commission. Fees and commission income showed a 2% rise to €705 million in the first half of 2013, compared to €690 million in the first half of 2012.

Other results. Most of the 63% rise in other income to €526 million in the first half of 2013 from €323 million in the first half of 2012 is attributable to the transition to the new pension scheme.

Operating expenses. Total operating expenses in domestic retail banking increased 12%, rising to €2,368 million in the first half of 2013, compared to €2,118 million in the first half of 2012, principally as a result of an increase in other administrative expenses.

Staff costs. Routine salary increases were offset by a smaller workforce, which caused staff costs to fall by 1% to €1,206 million in the first half of 2013, compared to €1,220 million in the first half of 2012.

Other administrative expenses. Following an increase in innovation costs at Rabobank Nederland, which costs are charged on to the local Rabobanks, and a limited increase in the reorganisation costs relating to Vision 2016, other administrative expenses increased 32% to €1,092 million in the first half of 2013, compared to €828 million in the first half of 2012.

Depreciation and amortisation. Depreciation and amortisation charges remain flat at €70 million in the first half of 2013, compared to €70 million in the first half of 2012.

Value adjustments. Value adjustments rose to €629 million in the first half of 2013, compared to €600 million in the first half of 2012. In the food and agri sector, credit losses were concentrated in the greenhouse horticulture industry. The trade, industry and services segment, the property sector and the manufacturing industry, in particular, have suffered due to low consumer and business demand. The inland shipping sector has likewise been affected by the economic downturn. Bad debt costs corresponded to 41 basis points of average lending in the first half of 2013, compared to 40 basis points of average lending in the first half of 2012, with the long-term average being 16 basis points (based on the period 2003 to 2012). Of lending, 69% is comprised of home mortgage loans in the first half of 2013, which is stable compared to 69% in the first half of 2012. At 6.4 basis points in the first half of 2013, compared to 5.6 basis points in 2012, bad debt costs on home mortgage loans were limited.

Taxation. Taxation increased by 43% in the first half of 2013 to €198 million from €138 million in the first half of 2012.

Net profit. Net profit decreased by 3% to €615 million in the first half of 2013 compared to €635 million in the first half of 2012.

Comparison results of operations domestic retail banking for the years ended 31 December 2012 and 31 December 2011

Total income. Domestic retail banking total income increased by 5%, rising to €7,289 million in 2012, compared to €6,941 million in 2011.

Interest. Interest income decreased 1% to €5,180 million in 2012, compared to €5,218 million in 2011, which was due in particular to lower margins on saving deposits.

Fees and commission. Commission fell by 1% to €1,344 million in 2012, compared to €1,357 million in 2011, because of fewer loans being issued and lower securities commission.

Other income. Other income rose to €765 million in 2012, compared to €366 million in 2011. Other income is made up primarily of dividends payable by Rabobank Nederland to the Local Rabobanks. Besides an increase in dividends, other income was up also because of higher earnings from cash management.

Operating expenses. Total operating expenses in domestic retail banking increased 9%, rising to €4,360 million in 2012, compared to €3,986 million in 2011, principally as a result of an increase in staff costs.

Staff costs. Staff costs increased by 9% to €2,454 million in 2012, compared to €2,258 million in 2011. A factor contributing to the increase in staff costs was the rise in headcount compared with 2011, particularly in terms of temporary staff. The upswing in staff costs was also attributable to the addition of the Friesland Bank employees.

Other administrative expenses. Other administrative expenses increased 9% to €1,755 million in 2012, compared to €1,609 million in 2011, due mainly to the acquisition of Friesland Bank.

Depreciation and amortisation. Depreciation and amortisation rose to €151 million in 2012, compared to €119 million in 2011, because of higher amortisation charges of software and intangibles.

Value adjustments. The weak economy led to further increases in value adjustments in 2012. In the food and agri sector, loan losses were incurred mostly in greenhouse horticulture. In the trade, industry and services sector, businesses reliant on domestic spending in particular suffered the consequences of low consumer and business demand. Low investment levels caused problems in the building contracting and real estate-related sectors. The sea and coastal shipping sector was also negatively affected. Value adjustments rose by €681 million to reach €1,329 million in 2012, compared to €648 million in 2011. At 44 (2011: 22) basis points of average lending, bad debt costs were above the long-term average of 13 basis points, based on the period 2002 to 2011. Of lending, 69% is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 6 (2011: 3) basis points.

Bank tax. The bank tax led to an additional expense item of €91 million in 2012.

Taxation. Taxation decreased in 2012 by €249 million to €205 million compared to €454 million in 2011.

Net profit. Net profit decreased by 30% to €1,304 million in 2012 compared to €1,853 million in 2011.

Comparison results of operations domestic retail banking for the years ended 31 December 2011 and 31 December 2010

Total income. Domestic retail banking total income increased by 7%, rising to €6,941 million in 2011, compared to €6,509 million in 2010.

Interest. Interest income increased 7% to €5,218 million in 2011, compared to €4,894 million in 2010, due, in part, to growth in lending and amounts due to customers.

Fees and commission. Commission showed a 3% rise to €1,357 million in 2011, compared to €1,321 million in 2010.

Other results. An increase in share capital contributed by the Local Rabobanks to Rabobank Nederland caused higher dividend distributions by Rabobank Nederland to the Local Rabobanks in 2011. This was one of the reasons for the 25% rise of other results to €366 million in 2011, compared to €294 million in 2010.

Operating expenses. Total operating expenses in domestic retail banking increased 4% in 2011, rising to €3,986 million in 2011, compared to €3,833 million in 2010, principally as a result of an increase in staff costs.

Staff costs. The costs of hiring external staff were higher than in 2010. Extra staff were needed to implement the measures dictated by new rules and regulations, and to fill temporary vacancies. Another factor contributing to the 4% increase in staff costs to €2,258 million in 2011, compared to €2,161 million in 2010, was the salary increase under the collective bargaining agreement.

Other administrative expenses. Other administrative expenses increased 4% to €1,609 million in 2011, compared to €1,553 million in 2010.

Depreciation and amortisation. At €119 million in 2011, compared to €119 million in 2010, depreciation and amortisation were stable.

Value adjustments. Due, in part, to the EHEC crisis in greenhouse horticulture, bad debt costs witnessed a slight increase in the first half of 2011 despite economic growth and the reasonable outlook at the time. There was a considerable downturn in the economy, however, in the second half of the year, causing value adjustments to rise further by 81% to reach €648 million in 2011, compared to €358 million in 2010. At 22 (2010: 13) basis points of average lending, bad debt costs were above the long-term average of 12 basis points, based on the period 2001 to 2010. Of lending, 69% is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 3 (2010: 4) basis points.

Taxation. Taxation decreased in 2011 by €21 million to €454 million compared to €475 million in 2010.

Net profit. Net profit increased by 1% to €1,853 million in 2011 compared to €1,843 million in 2010.

Wholesale banking and international retail banking

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

	Six-month period ended 30		Year ended 31 December,		
	June,		2012	2011	2010
	2013	2012			
	<i>(in millions of euro)</i>				
Interest	1,335	1,379	2,775	2,957	2,813
Commission	324	290	618	586	460
Other results	312	467	612	207	306
Total income	1,971	2,136	4,005	3,750	3,579
Staff costs	633	647	1,320	1,116	1,020
Other administrative expenses	431	439	976	847	811
Depreciation and amortisation	63	58	120	109	108
Operating expenses	1,127	1,144	2,416	2,072	1,939
Gross result	844	992	1,589	1,678	1,640
Value adjustments	228	308	621	686	597
Bank tax	—	—	60	—	—
Operating profit before taxation	616	684	908	992	1,043
Taxation	120	141	204	211	269
Net profit	496	543	704	781	774

Comparison results of wholesale banking and international retail banking for the six-month periods ended 30 June 2013 and 30 June 2012

Total income. Total income at Rabobank International decreased by 8% to €1,917 million in the first half of 2013 compared to €2,136 million in the first half of 2012, due chiefly to a drop in other results, which were high in the first half of 2012 due to the sale of the residual stake in Yes Bank.

Interest. Interest income fell by 3% to €1,335 million in the first half of 2013 from €1,379 million in the first half of 2012. While interest income increased due to higher margins on loans, interest expense relating to RaboDirect drove down profit from interest.

Fees and commission. Higher commissions in capital markets transactions caused fees and commissions to increase by 12% to €324 million from €290 million in the first half of 2012.

Other results. In the first half of 2013 other results decreased by 33% to €312 million, compared to €467 million in the first half of 2012. Other results was high in 2012 due to the sale of the residual stake in Indian-based Yes Bank. This sale resulted in an income item of approximately €59 million. Unlike in the first half of 2012, there were no positive revaluations in the private equity portfolio during the first half of 2013.

Operating expenses. Rabobank International's total operating expenses decreased by 1% to €1,127 million in the first half of 2013, compared to €1,144 million in the first half of 2012. This decrease was partly due to lower pension costs and a smaller workforce.

Staff costs. Partly due to lower pension costs, staff costs decreased by 2% to €633 million in the first half of 2013, compared to €647 million in the first half of 2012.

Other administrative expenses. Other administrative expenses decreased by 2% to €431 million in the first half of 2013, compared to €439 million in the first half of 2012. This decrease was mainly due to a smaller workforce.

Depreciation and amortisation. Depreciation and amortisation increased by 9% to €63 million in the first half of 2013, compared to €58 million in the first half of 2012, mainly due to higher write-downs on self-developed software.

Value adjustments. Value adjustments at Rabobank International decreased to €228 million for the first half of 2013, compared to €308 million for the first half of 2012. Contributions to ACCBank were reduced; value adjustments at ACCBank amounted to €100 million, compared to €172 million for the first half of 2012. Bad debt costs amounted to 44 basis points of average lending in the first half of 2013, compared to 59 basis points of average lending in the first half of 2012, which is lower than the long-term average of 54 basis points (based on the period 2003 to 2012).

Taxation. Taxation decreased by 15% to €120 million in the first half of 2013 compared to €141 million in the first half of 2012.

Net profit. Net profit decreased by 9% to €496 million in the first half of 2013 compared to €543 million in the first half of 2012.

Comparison results of operations wholesale banking and international retail banking for the years ended 31 December 2012 and 31 December 2011

Total income. Total income at Rabobank International increased by 7% to €4,005 million in 2012 compared to €3,750 million in 2011. This increase was attributable in particular to a €405 million rise in other income.

Interest. Interest income declined by 6% to €2,775 million in 2012, compared to €2,957 million in 2011. The lower deposit interest rate of the European Central Bank was a factor in the 6 per cent drop in interest income.

Fees and commission. Commission increased by 5% to €618 million in 2012, compared to €586 million in 2011, due, in part, to an increase in commissions on loans.

Other income. In 2012, other income rose by €405 million to €612 million, compared to €207 million in 2011, because of the sale of remaining equity interest in Indian-based Yes Bank and the higher share of the profits of the participation in the Agricultural Bank of China.

Operating expenses. Rabobank International's total operating expenses increased by 17% to €2,416 million, compared to €2,072 million in 2011. The implementation of changes in international rules and regulations proved to be a substantial cost item whose impact was felt in staff costs and other administrative expenses.

Staff costs. Staff costs rose by 18% to €1,320 million in 2012, compared to €1,116 in 2011, owing to routine pay increases, higher pension costs and, to a lesser extent, an increase in headcount.

Other administrative expenses. Due, in part, to higher consultancy fees, administrative expenses were up 15% to €976 million in 2012, compared to €847 million in 2011.

Depreciation and amortisation. Depreciation and amortisation grew by 10% to €120 million, compared to €109 million in 2011, due to higher depreciation charges on software.

Value adjustments. Value adjustments at Rabobank International decreased by 9% to €621 million in 2012, compared to €686 million in 2011. As ACCBank accounted for €301 million of these value adjustments, reflecting nearly half of the total figure. Bad debt costs amounted to 59 basis points (2011: 73 basis points) of average lending, which is higher than the long-term average of 54 basis points (based on the period 2002 to 2011).

Bank tax. The bank tax led to an additional expense item of €60 million in 2012.

Taxation. Taxation decreased in 2012 by €7 million to €204 million, compared to €211 million in 2011.

Net profit. Net profit decreased by 10% to €704 million in 2012 compared to €781 million in 2011.

Comparison results of operations wholesale banking and international retail banking for the years ended 31 December 2011 and 31 December 2010

Total income. Total income at Rabobank International increased by 4.8% to €3,750 million in 2011 compared to €3,579 million in 2010, due chiefly to a rise in interest income.

Interest. Interest income rose by 5% to €2,957 million in 2011, compared to €2,813 million in 2010. Growth in lending contributed to an increase in interest income.

Fees and commission. Commission increased by 27% to €586 million compared to €460 million in 2010.

Other results. Other results were favourable in 2010 because of the sale of part of the equity interest in Yes Bank. In 2011, other results fell by 32% to €207 million, compared to €306 million in 2010.

Operating expenses. Rabobank International's total operating expenses increased by 7% to €2,072 million, compared to €1,939 million in 2010.

Staff costs. Periodic salary increases and an increase in the employee base of 9% caused staff costs to rise to €1,116 million in 2011, compared to €1,020 million in 2010.

Other administrative expenses. Acquisitions in 2010 resulted in extra integration expenses in 2011. Higher information technology and marketing expenses were a factor in the 4% rise in other administrative expenses to €847 million in 2011, compared to €811 million in 2010.

Depreciation and amortisation. Depreciation and amortisation stood at €109 million, compared to €108 million in 2010.

Value adjustments. Value adjustments at Rabobank International were up 15% in 2011, reaching €686 million, compared to €597 million in 2010, due, in part, to additional allocations to the provision for loan losses at ACCBank. Bad debt costs amounted to 73 (2010: 64) basis points of average lending, which is higher than the long-term average of 54 basis points (based on the period 2001 to 2010).

Taxation. Taxation decreased in 2011 by €58 million to €211 million, compared to €269 million in 2010.

Net profit. Net profit increased by 1% to €781 million in 2011 compared to €774 million in 2010.

Asset management

The asset management segment has been eliminated on a going forward basis in connection with the sale of Robeco. The 2012 consolidated financial statements of the Group recognise the activities undertaken by Robeco as discontinued operations under IFRS, meaning that the figures for 2012 in the segmental information of the financial statements will be reclassified to a single line in the statement of financial position and the statement of income. The statement of income for 2011 will also be restated accordingly. Total net profit from discontinued and continuing operations in the asset management segment stood at €216 million in 2012, compared to €62 million in 2011. The table below sets forth certain summarised financial information for the Group's asset management business for the periods indicated:

	Year ended 31 December,			
	2012	2011 (restated)	2011	2010
	<i>(in millions of euro)</i>			
Interest	22	55	163	166
Fees and commission	680	620	979	995
Other income	78	(3)	2	47
Total income	780	671	1,144	1,208
Staff costs	308	279	593	564
Other administrative expenses	135	151	311	287
Depreciation and amortisation	38	38	114	117

Year ended 31 December,

	2012	2011 (restated)	2011	2010
	<i>(in millions of euro)</i>			
Operating expenses.....	481	467	1,018	968
Gross result.....	299	204	126	240
Value adjustments.....	2	0	(1)	2
Operating profit before taxation.....	297	204	127	238
Taxation.....	100	70	65	71
Net profit from discontinued operations – Robeco.....	197	134	—	—
Net profit from continued operations.....	19	(72)	—	—
Net profit.....	216	62	62	167

Comparison results of operations asset management for the years ended 31 December 2012 and 31 December 2011

Total income. Total income increased by 16% in 2012 to €780 million compared to €671 million in 2011, due to higher commission income and other income.

Interest. Total interest income fell by 59% in 2012 to €22 million compared to €55 million in 2011 due, in part, to lower margins on savings deposits.

Fees and commission. Commission rose by 10% to €680 million in 2012, compared to €620 million in 2011, due to a strong increase in assets under management.

Other income. Other income grew by €81 million in 2012, reaching €78 million, compared to minus €3 million in 2011, as a result of higher bond values and gains on the sale of debt instruments.

Operating expenses. Total operating expenses increased by 3% in 2012, rising to €481 million, compared to €467 million in 2011 due to higher staff costs.

Staff costs. Staff costs were 10% higher, rising to €308 million in 2012, compared to €279 million in 2011, due to routine pay rises.

Other administrative expenses. Other administrative expenses fell by 11% to €135 million in 2012, compared to €151 million in 2011. Over the past few years, Robeco reduced complexity in respect of the scope of its product offering and its target markets. This reduction in complexity contributed to the decline in other administrative expenses.

Depreciation and amortisation. Depreciation and amortisation was stable at €38 million in 2012 compared to €38 million in 2011.

Value adjustments. The total amount of value adjustments for asset management operations was €2 million in 2012 compared to €0 million in 2011.

Taxation. Taxation increased in 2012 by €30 million to €100 million compared to €70 million in 2011.

Net profit. Net profit increased by €154 million to €216 million in 2012, compared to €62 million in 2011.

Comparison results of operations asset management for the years ended 31 December 2011 and 31 December 2010

Total income. Total income from asset management was 5% lower in 2011 than in 2010, at €1,144 million compared to €1,208 million in 2010 mainly due to lower commission income and lower other income.

Interest. Total interest income fell by 2% in 2011, at €163 million compared to €166 million in 2010 mainly due to higher interest expenses on customers.

Fees and commission. Commission was down 2% to €979 million in 2011, compared to €995 million in 2010, due to market conditions and lower commissions at Transtrend, a Robeco subsidiary.

Other income. The sale of Sarasin contributed to the €45 million fall in other income to €2 million, compared to €47 million in 2010.

Operating expenses. Total operating expenses increased by 5% in 2011, rising to €1,018 million, compared to €968 million in 2010 mainly due to higher staff costs and higher other operating expenses.

Staff costs. Staff costs were 5% higher, rising to €593 million in 2011, compared to €564 million in 2010 in part due to an increase in the number of employees.

Other administrative expenses. Other administrative expenses grew by 8% to €311 million in 2011, compared to €287 million in 2010 in part due to restructuring provision and higher consultants fees.

Depreciation and amortisation. Due to lower amortisation charges of intangible assets, depreciation and amortisation charges decreased by 3% to €114 million in 2011 compared to €117 million in 2010.

Value adjustments. The total amount of value adjustments for asset management operations was minus €1 million in 2011 compared to €2 million in 2010.

Taxation. Taxation decreased in 2011 by €6 million to €65 million compared to €71 million in 2010.

Net profit. Net profit decreased by €105 million to €62 million in 2011.

Leasing

The table below sets forth certain summarised financial information for the Group's leasing business for the periods indicated:

	Six-month period ended 30		Year ended 31 December,		
	June,*		2012	2011	2010
	2013	2012	2012	2011	2010
	(in millions of euro)				
Interest	509	465	952	778	658
Commission	25	26	63	76	83
Other results	257	227	442	465	440
Total income	791	718	1,457	1,319	1,181
Staff costs	260	254	526	455	416
Other administrative expenses	99	96	223	269	244
Depreciation and amortisation	24	24	47	50	40
Operating expenses	383	374	796	774	700
Gross result	408	344	661	545	481
Value adjustments	85	78	147	144	214
Bank tax	—	—	9	—	—
Operating profit before taxation	323	266	505	401	267
Taxation	91	75	138	97	66
Net profit	232	191	367	304	201

Comparison results of leasing for the six-month periods ended 30 June 2013 and 30 June 2012

Total income. De Lage Landen's total income increased by 10%, rising to €791 million in the first half of 2013, compared to €718 million in the first half of 2012 due to the growth in the average lease portfolio and the increase of residual value gains on sales of leased products.

Interest. Interest income was up by 9% to €509 million, compared to €465 million in the first half of 2012, due to growth in the average lease portfolio.

Fees and commission. Fees and commission income fell by 4% to €25 million, compared to €26 million in the first half of 2012.

Other results. Other results increased by 13% to €257 million, compared to €227 million in the first half of 2012. This increase was partly due to slight residual value gains on sales of leased products.

Operating expenses. Total operating expenses at De Lage Landen increased by 2% to €383 million in the first half of 2013, compared to €374 million in the first half of 2012. This increase was due to routine salary increases and higher IT spending.

Staff costs. Staff costs were up by 2% to €260 million in the first half of 2013, compared to €254 million in the first half of 2012, due to routine salary increases.

Other administrative expenses. Other administrative expenses increased by 3% to €99 million, compared to €96 million in the first half of 2012, due in part to higher IT spending.

Depreciation and amortisation. Depreciation and amortisation remained flat at €24 million in the first half of 2013, compared to €24 million in the first half of 2012.

Value adjustments. Bad debt costs were up due to the continued global downturn in the economy. De Lage Landen's value adjustments stood at €85 million in the first half of 2013, compared to €78 million in the first half of 2012, which corresponds to 59 (in the first half of 2012: 57) basis points. Bad debt costs were 9 basis points below the long-term average of 68 basis points (based on the period 2003 to 2012).

Taxation. Taxation increased by 21% to €91 million in the first half of 2013 compared to €75 million in the first half of 2012.

Net profit. Net profit increased 21% to €232 million in the first half of 2013 compared to €191 million in the first half of 2012.

Comparison results of operations leasing for the years ended 31 December 2012 and 31 December 2011

Total income. De Lage Landen's total income increased by 10%, rising to €1,457 million in 2012, compared to €1,319 million in 2011. The lease portfolio grew due to the provision of a broader range of services to existing customers.

Interest. Interest income was up by 22% to €952 million in 2012, compared to €778 million in 2011. Active portfolio management helped to grow interest income.

Fees and commission. Higher commission payments to the Local Rabobanks resulted in a fall of commission income by 17% to €63 million, compared to €76 million in 2011.

Other income. Lower residual value gains on lease products caused a decrease in other income by 5% to €442 million, compared to €465 million in 2011.

Operating expenses. Total operating expenses at De Lage Landen rose by 3% to €796 million in 2012, compared to €774 million in 2011, due to higher staff costs.

Staff costs. Staff costs were up €71 million, reaching €526 million, compared to €455 million in 2011, because of an increase in the number of temporary outside staff, a higher headcount and an increase in wage costs.

Other administrative expenses. Other administrative expenses were high in 2011 because of project costs incurred for self-developed software. As these costs were lower in 2012, other administrative expenses fell by 17% to €223 million, compared to €269 million in 2011.

Depreciation and amortisation. The depreciation and amortisation item was slightly lower at €47 million, compared to €50 million in 2011.

Value adjustments. De Lage Landen's value adjustments increased by 2% to €147 million, compared to €144 million in 2011. Due to the global spread of the operations, the increase was very limited. Expressed in basis points of average lending, bad debt costs stood at 53 basis points (2011: 58 basis points). Bad debt costs are now 16 basis points below the long-term average of 69 basis points (based on the period 2002 to 2011).

Taxation. Taxation increased in 2012 by €41 million to €138 million compared to €97 million in 2011.

Net profit. Net profit increased 21% to €367 million in 2012 compared to €304 million in 2011.

Comparison results of operations leasing for the years ended 31 December 2011 and 31 December 2010

Total income. De Lage Landen's total income increased by 12%, rising to €1,319 million in 2011, compared to €1,181 million in 2010.

Interest. Interest income was up by 18% to €778 million, compared to €658 million in 2010, due to active portfolio management.

Fees and commission. De Lage Landen paid higher commissions in 2011 to the Local Rabobanks for new lease referrals. As a result, commission income fell by 9% to €76 million, compared to €83 million in 2010.

Other results. Increases in residual value gains on lease products caused an increase in other results by 6% to €465 million, compared to €440 million in 2010.

Operating expenses. Total operating expenses at De Lage Landen rose by 11% to €774 million in 2011, compared to €700 million in 2010.

Staff costs. Staff costs were up €39 million, reaching €455 million, compared to €416 million in 2010, because of periodic salary increases and a larger workforce on average. The headcount increased by 3% to 4,964 in 2011 compared to 4,835 in 2010.

Other administrative expenses. Other administrative expenses were up 10% to €269 million, compared to €244 million in 2010 due, in part, to the accelerated amortisation of self-developed software.

Depreciation and amortisation. The depreciation and amortisation item increased by 25% to €50 million, compared to €40 million in 2010, due, in part, to the accelerated amortisation of self-developed software.

Value adjustments The credit quality of the portfolio improved owing partly to strict risk management. This helped to reduce De Lage Landen's value adjustments, which fell by 33% to €144 million, compared to €214 million in 2010. Expressed in basis points of average lending, bad debt costs stood at 58 (2010: 90) basis points. Bad debt costs were 11 basis points below the long-term average of 69 basis points (based on the period 2001 to 2010).

Taxation. Taxation increased in 2011 by €31 million to €97 million compared to €66 million in 2010.

Net profit. Net profit increased 51% to €304 million in 2011 compared to €201 million in 2010.

Real estate

The table below sets forth certain summarised financial information for the Group's real estate business for the periods indicated:

	Six-month period ended 30		Year ended 31 December,		
	June,				
	2013	2012	2012	2011	2010
	<i>(in millions of euro)</i>				
Interest	163	150	312	282	253
Commission	16	16	35	41	26
Other results	(91)	130	104	207	214
Total income	88	296	451	530	493
Staff costs	96	94	193	200	193
Other administrative expenses	67	42	89	124	145
Depreciation and amortisation	9	9	19	20	29
Operating expenses	172	145	301	344	367
Gross result.....	(84)	151	150	186	126
Value adjustments.....	164	101	237	129	63
Bank tax	—	—	8	—	—
Operating profit before taxation	(248)	50	(95)	57	63
Taxation	(59)	9	12	17	21
Net profit	(189)	41	(107)	40	42

Comparison results of operations real estate or the six-month periods ended 30 June 2013 and 30 June 2012

Total income. During the first half of 2013, total income in the Group's real estate business decreased by 70% to €88 million in the first half of 2013 compared to €296 million in the first half of 2012.

Interest. Interest income increased by 9% to €163 million in the first half of 2013 compared to €149 million in the first half of 2012, due to an improvement in the margins on new loans and extensions.

Fees and commission. The volume of loans issued in the first half of 2013 remained stable. Fees and commission were stable at €16 million in the first half of 2013 compared to €16 million in the first half of 2012.

Other results. Other results was negative €91 million in the first half of 2013 from €130 million in the first half of 2012, mainly due to impairments on land.

Operating expenses. Total operating expenses increased by 19% in the first half of 2013, rising to €172 million, compared to €145 million in the first half of 2012. This increase was mainly due to an increase in staff costs and a rise in administrative expenses due to the formation of a reorganisation provision for the phasing out of the activities of MAB Development.

Staff costs. Staff costs increased by 2% to €96 million, compared to €94 million in the first half of 2012, in line with the development of headcount.

Other administrative expenses. Other administrative expenses increased by 60% to €67 million in the first half of 2013, compared to €42 million in the first half of 2012. This increase was mainly due to the formation of a reorganisation provision for the phasing out of the activities of MAB Development.

Depreciation and amortisation. Depreciation and amortisation were stable at €9 million in the first half of 2013 compared to €9 million in the first half of 2012.

Value adjustments. Value adjustments increased to €153 million in the first half of 2013, compared to €99 million in the first half of 2012, which corresponds to 180 (in the first half of 2012: 105) basis points of average lending. The further decline in the Dutch property market led to an increase in value adjustments at Rabo Vastgoedgroep.

Taxation. Taxation fell to negative €57 million in the first half of 2013 compared to €12 million in the first half of 2012.

Net profit. Net profit fell to negative €189 million in the first half of 2013 compared to €41 million in the first half of 2012.

Comparison results of operations real estate for the years ended 31 December 2012 and 31 December 2011

Total income. Total income in the Group's real estate business decreased by 23% to €451 million in 2012 compared to €530 million in 2011 mainly due to lower other income.

Interest. Interest income increased by €30 million to €312 million in 2012 compared to €282 million in 2011, due to higher margins on new loans and renewals.

Fees and commission. Commission decreased by 15% to €35 million, compared to €41 million in 2011, because fewer loans were issued than in 2011.

Other income. Higher impairment losses on property developments and strategic land positions contributed to a decrease in other income by 50% to €104 million in 2012, compared to €207 million in 2011.

Operating expenses. Total operating expenses in the Group's real estate business declined by 13% in 2012, falling to €301 million, compared to €344 million in 2011, mainly due to lower other administrative expenses.

Staff costs. The headcount was lower as a result of staff cuts at Bouwfonds Property Development, Bouwfonds REIM, MAB Development and the Management Centre, among other divisions. As a result, staff costs decreased by 4% to €193 million, compared to €200 million in 2011.

Other administrative expenses. Other administrative expenses, which had been high in 2011 because of a reorganisation allowance, dropped by 28% to €89 million in 2012, compared to €124 million in 2011.

Depreciation and amortisation. Depreciation and amortisation was slightly lower at €19 million in 2012 compared to €20 million in 2011.

Value adjustments. Value adjustments stood at €237 million in 2012, compared to €129 million in 2011, which corresponds to 124 basis points (2011: 69 basis points) of average lending. Bad debt costs rose sharply due to the continued decline in the Dutch property market.

Taxation. Taxation decreased by €5 million to €12 million in 2012 compared to €17 million in 2011.

Net profit. Net profit decreased by €147 million to minus €107 million in 2012 compared to €40 million in 2011 due, in part, to a sharp rise in bad debt costs and property impairments.

Comparison results of operations real estate for the years ended 31 December 2011 and 31 December 2010

Total income. During 2011, total income in the Group's real estate business increased by 8% to €530 million in 2011 compared to €493 million in 2010 due to higher interest and commission income.

Interest. Interest income increased by €29 million to €282 million in 2011 compared to €253 million in 2010, due to an increase in lending and higher margins on new loans and renewals.

Fees and commission. Commission increased by 58% to €41 million, compared to €26 million in 2010, due to new loans and renewals, particularly in the first half of 2011, and higher commissions at Bouwfonds REIM.

Other results. The increase in revenue from property development, especially in countries other than the Netherlands, was largely offset by impairment losses on available land positions in the Netherlands. Other results fell by 3% to €207 million in 2011, compared to €214 million in 2010.

Operating expenses. Rabo Vastgoedgroep's total operating expenses in the Group's real estate business declined by 6% in 2011, falling to €344 million, compared to €367 million in 2010.

Staff costs. Owing, in part, to an increase in headcount, staff costs increased by 4% to €200 million, compared to €193 million in 2010.

Other administrative expenses. The drop in other administrative expenses was the main factor in lower operating expenses. Other administrative expenses were down 14% to €124 million in 2011, compared to €145 million in 2010.

Depreciation and amortisation. Depreciation and amortisation decreased by €9 million to €20 million in 2011 compared to €29 million in 2010.

Value adjustments. Value adjustments stood at €129 million in 2011, compared to €63 million in 2010, which corresponds to 69 (2010: 36) basis points of average lending. The further decline in the Dutch property market led to an increase in value adjustments at Rabo Vastgoedgroep.

Taxation. Taxation decreased by €4 million to €17 million in 2011 compared to €21 million in 2010.

Net profit. Net profit decreased by €2 million to €40 million in 2011 compared to €42 million in 2010.

Loan Portfolio

The Group conducted its business against the background of a weak economy in the first half of 2013. The Dutch economy contracted, as did the economy of the Eurozone as a whole. The effects of the recession were visible in the development of the loan portfolio. In the first half of 2013, the loans to customers item decreased by 1%, or €6.1 billion, to €479.2 billion as of 30 June 2013 from €485.3 billion as of 31 December 2012. The private sector loan portfolio decreased by €3.7 billion to €454.4 billion as of 30 June 2013, a decrease of 1% from €458.1 billion as of 31 December 2012. The loans to private individuals, primarily for mortgage finance, were more or less unchanged at €220 billion as of 30 June 2013. Residential mortgage loans are granted by Local Rabobanks, Obvion and Friesland Bank. These loans are secured on underlying properties and have maturities up to 30 years. Loans to the trade, industry and services sector decreased by €1.8 billion to €143.8 billion as of 30 June 2013. Lending to the food and agri sector decreased by €1.8 billion to €90.6 billion as of 30 June 2013.

The table below shows a breakdown of the Group's total lending outstanding to the private sector as of 30 June 2013, 31 December 2012 and 31 December 2011, by category of borrower:

	As of 30 June,		As of 31 December,			
	2013*		2012		2011	
	<i>(in millions of euro and as percentage of total private sector lending)</i>					
Private individuals	220,003	48%	220,029	48%	212,269	47%
Trade, industry and services sector	143,843	32%	145,626	32%	147,877	33%
Food and agri sector	90,573	20%	92,436	20%	88,191	20%
Total private sector lending	454,419	100%	458,091	100%	448,337	100%

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

The table below provides a breakdown of the remaining maturity of the Group's total loans to customers (public and private sector) and professional securities transactions as of 31 December 2012 and 31 December 2011:

	As of 31 December,			
	2012		2011	
	<i>(in millions of euro and as percentage of total loans to customers)</i>			
Less than one year.....	102,211	21%	111,464	24%
More than one year	383,088	79%	356,621	76%
Total loans to customers.....	485,299	100%	468,085	100%

Funding

As of 30 June 2013, amounts due to customers of the Group were €339.8 billion, an increase of 2% compared to 31 December 2012. The balance held in savings deposits increased by €6.4 billion to €156.1 billion, an increase of 4%. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) decreased by €0.9 billion to €183.7 billion as of 30 June 2013. As of 30 June 2013, debt securities in issue (including Rabobank Certificates of deposit, commercial paper and bonds) totalled €197.9 billion compared to €223.3 billion as of 31 December 2012. Savings deposits (except fixed-time deposits, from 1 month to 20 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The table below shows the Group's sources of funding by source as of 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010:

	As of 30 June,	As of 31 December,		
	2013*	2012	2011	2010
	<i>(in millions of euro)</i>			
Savings deposits.....	156,131	149,661	140,028	130,928
Other due to customers	183,731	184,610	189,864	167,833
Debt securities in issue	197,891	223,336	213,441	196,819
Other financial liabilities at fair value through profit or loss.....	21,785	24,091	25,889	29,867
Total.....	559,538	581,698	569,222	525,447

The Group also receives funds from the inter-bank and institutional market. The Group's total due to other banks was €19.9 billion as of 30 June 2013, a 26% decrease from €27.1 billion as of 31 December 2012.

Other Financial Assets*

Other financial assets comprise debt securities and other assets. Other financial assets are subdivided into the following categories:

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

Other financial assets as of 31 December 2012,

	Trading	Other at fair value through profit or loss	Available- for-sale	Held-to- maturity	Total
	<i>(in millions of euro)</i>				
Purchased loans	1,767	—	—	—	1,767
Short-term government securities	688	—	2,096	—	2,784
Government bonds.....	935	4	39,275	—	40,214
Other debt securities	1,690	3,738	8,537	—	14,491
Loans	—	1,026	—	—	—
Total debt securities.....	5,080	4,768	49,908	—	59,756
Venture capital.....	—	784	—	—	784
Equity instruments	1,307	359	517	—	2,183
Total other assets	1,307	1,143	517	—	2,967
Total.....	6,387	5,911	50,425	—	62,723
Category 1 ⁽¹⁾	4,107	251	43,889	—	48,247
Category 2 ⁽¹⁾	2,197	4,003	6,438	—	12,638
Category 3 ⁽¹⁾	83	1,657	98	—	1,838

Note:

(1) Category 1: quoted prices in active markets for identical assets or liabilities; Category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices); Category 3: inputs for the asset or liability not based on observable market data.

Other financial assets as of 31 December 2011,

	Trading	Other at fair value through profit or loss	Available- for-sale	Held-to- maturity	Total
	<i>(in millions of euro)</i>				
Purchased loans	2,091	—	—	—	2,091
Short-term government securities	313	—	1,993	—	2,306
Government bonds	2,150	412	40,604	96	43,262
Other debt securities	1,788	5,622	8,576	13	15,999
Total debt securities	6,342	6,034	51,173	109	63,658
Venture capital	—	571	—	—	571
Equity instruments	1,770	410	757	—	2,937
Total other assets	1,770	981	757	—	3,508
Total	8,112	7,015	51,930	109	67,166
Category 1 ⁽¹⁾	4,256	1,013	45,506	—	50,775
Category 2 ⁽¹⁾	3,452	4,506	6,197	—	14,155
Category 3 ⁽¹⁾	404	1,496	227	—	2,127

Note:

(1) Category 1: quoted prices in active markets for identical assets or liabilities; Category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices); Category 3: inputs for the asset or liability not based on observable market data.

Credit-Related Commitments*

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending-related financial instruments. The Group's credit risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, the Group will make payments on behalf of clients if they are unable to meet their financial obligations to third parties. The Group also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

As of 31 December,

	2012	2011	2010
	<i>(in millions of euro)</i>		
Guarantees	14,904	10,519	10,084
Letters of credit.....	5,583	5,487	4,910
Credit granting liabilities	33,061	34,522	34,670
Other contingent liabilities.....	—	—	—
Total credit related and contingent liabilities.....	53,548	50,528	49,730
Revocable credit facilities.....	45,083	44,649	41,229
Total credit related commitments	98,631	95,177	90,959

Investments and Divestments

The most significant acquisitions and divestments during the period covered by this Operating and Financial Review up to the date of this Prospectus are the following:

(i) The sale of 90% plus one of the shares in the Group's subsidiary Robeco to ORIX Corporation was effected on 1 July 2013. The sale price was approximately €1.9 billion. The transaction has resulted in a book profit of approximately €1.5 billion and increased the core tier 1 ratio of around 70 basis points. The banking activities of Robeco, which are exclusively located in the Netherlands, were transferred to Rabobank Nederland on 21 June 2013. As part of the purchase price, the Group has received a shareholding in ORIX Corporation in an amount of €150 million.

(ii) The Group sold its equity interest in Swiss-based private bank Sarasin to Safra Group for €844 million in 2011. The sale of Sarasin, which serves private clients outside the Netherlands, will allow the Group to sharpen its focus on its strategic core business, i.e. broad market leadership in the Netherlands and worldwide growth in the area of food and agri. In June 2012, the Swiss regulator approved the acquisition by Safra of the Group's equity interest in Sarasin. After having obtained the approval of several other regulators, this transaction was completed in July 2012.

(iii) Following the public bid in April 2012, virtually all outstanding shares in the Polish Bank Gospodarki Żywnościowej were offered to the Group. The shares were acquired for €289 million. As a result, the Group holds an equity interest in Bank Gospodarki Żywnościowej of 98.5% (as of 30 June 2013).

(iv) On 9 May 2012, the Group acquired ABP's remaining 50% shareholding (carrying 30% voting rights) in Obvion for €178 million. Following the transaction, the Group now holds all of the shares in Obvion.

(v) On 1 April 2012, the Group acquired full control over Friesland Bank. Friesland Bank was incorporated in 1913 as 'Coöperatieve Zuivelbank' and has operated under its current name since 1970. The Group paid €1 for all of the shares in Friesland Bank Holding N.V.

Capital Adequacy

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

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

The core tier 1 ratio, the tier 1 ratio and the total capital ratio are the most common ratios used to measure solvency. The core tier 1 ratio expresses the relationship between core tier 1 capital and total risk-weighted assets. As of 30 June 2013, the Group's core tier 1 ratio stood at 12.9% (year-end 2012: 13.2%).

Risk-weighted assets were down €2 billion to €220.9 billion as of 30 June 2013 compared to €222.8 billion as of 31 December 2012. The change in the share of the outstanding Rabobank Certificates and a revaluation of the pension obligation arising from the old pension scheme were contributing factors in the €0.9 billion decrease in core tier 1 capital to €28.4 billion as of 30 June 2013 compared to €29.3 billion as of 31 December 2012. See “Regulation of the Group” for further discussion of the Basel standards.

The tier 1 ratio expresses the relationship between tier 1 capital and total risk-weighted assets. As of 30 June 2013, the Group’s tier 1 ratio stood at 16.9% (year-end 2012: 17.2%). The minimum requirement set by external supervisors is 4%.

The total capital ratio is calculated by dividing the total of tier 1 and tier 2 capital by the total of risk-weighted assets. As of 30 June 2013, the total capital ratio stood at 18.7% (year-end 2012: 19%). This exceeds the current minimum requirement set by the external supervisors of 8%.

The table below sets forth the risk-weighted capital ratios of the Group as of 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010:

Development in capital and solvency ratios

	As of 30 June,	As of 31 December,		
	2013	2012	2011	2010
		<i>(in millions of euro, except percentages)</i>		
Core tier 1 capital.....	28,433	29,307	28,324	27,735
Core tier 1 ratio.....	12.9%	13.2%	12.7%	12.6%
Tier 1 capital.....	37,377	38,412	37,964	34,461
Tier 1 ratio.....	16.9%	17.2%	17%	15.7%
Qualifying capital.....	41,320	42,375	39,088	35,734
Total capital ratio.....	18.7%	19%	17.5%	16.3%

Cash Flow

The following table sets forth the Group’s cash flow for the six-month periods ended 30 June 2013 and 30 June 2012 and the years ended 31 December 2012, 2011 and 2010.

	Six-months period ended 30		Year ended 31 December,		
	June,*	2012	2012	2011	2010
			<i>(in millions of euro)</i>		
Net cash flow from operating activities	(19,459)	269	(1,030)	52,853	15,428
Net cash flow from investing activities.....	(2,164)	(1,832)	(1,850)	2,477	(19,872)
Net cash flow from financing activities ..	(1,147)	(753)	540	1,673	1,350
Net change in cash and cash equivalents.....	22,770	(2,316)	(2,340)	57,003	(3,094)
Cash and cash equivalents at 1 January ..	68,103	70,430	70,430	13,471	16,565
Net change in cash and cash equivalents	(22,770)	(2,316)	(2,340)	57,003	(3,094)
Foreign exchange differences on cash and cash equivalents	(152)	40	13	(44)	-
Cash and cash equivalents.....	45,181	68,154	68,103	70,430	13,471

Net cash outflow from operating activities was €19,459 million in the six-month period ended 30 June 2013, mainly due to a decrease in debt securities in issue and an increase in the line item Due to customers. The size of the professional short-term funding portfolio was intentionally reduced in the first six-month period of 2013 and the size of the deposits at the central banks were also reduced.

Net cash outflow from investing activities was €2,164 million in the six-month period ended 30 June 2013, primarily due to an increase of the available-for-sale financial assets.

Net cash outflow from financing activities was €1,147 million in the six-month period ended 30 June 2013, mainly due to payments on Current Member Certificates, Trust Preferred Securities III to VI and Capital Securities and the redemption of Current Member Certificates and Capital Securities.

Working Capital*

The Group believes that its working capital is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus. The Group currently complies with the applicable own funds requirements as set out in Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (“**EC Directive 2006/48**”) and Directive 2006/49/EC of the European Parliament and the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast) (“**EC Directive 2006/49**”) as implemented in the FMSA. The Group’s current own funds are sufficient to comply with the own funds requirements, as set out in CRR that will apply with effect from 1 January 2014. The Group currently complies with the applicable liquidity requirements as set out in the FMSA. The Group’s current liquidity position is sufficient to comply with the liquidity requirements, as set out in CRR, that will apply with effect from 1 January 2014.

Selected Statistical Information*

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

Return on equity and assets

The table below presents information relating to the Group’s return on equity and assets for each of the past five years:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	<i>(in percentages)</i>				
Return on assets ⁽¹⁾	0.28	0.38	0.42	0.37	0.47
Return on equity ⁽²⁾	4.70	6.17	5.60	6.36	8.67
Equity to assets ratio ⁽³⁾	5.96	6.19	6.05	5.82	5.47

Notes:

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

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

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	<i>(in millions of euro, except percentages)</i>				
Outstanding Current Member Certificates ⁽¹⁾	6,587	6,551	6,368	6,275	6,180
Payments	328	315	303	318	316
Average yield	4.98%	4.81%	4.76%	5.07%	5.11%

Note:

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

Loan portfolio

The Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The table below analyses the Group's loan portfolio by sector as of 31 December 2012, 31 December 2011 and 31 December 2010:

	2012	2011	2010
	<i>(in millions of euro)</i>		
Private sector lending.....	458,091	448,337	436,292
Government clients.....	3,764	3,557	5,602
Securities transactions due from private sector lending.....	11,410	7,026	7,840
Interest rate hedges (hedge accounting).....	12,034	9,165	6,207
Total loans to customers	485,299	468,085	455,941
Value adjustments in loans to customers.....	(3,715)	(3,089)	(2,610)
Reclassified assets.....	4,224	5,588	6,954
Gross loans to customers	484,790	465,586	451,597

The table below sets forth a geographic breakdown of the Group's loan portfolio as of 31 December 2012, 31 December 2011 and 31 December 2010:

	As of 31 December,		
	2012	2011	2010
	<i>(in millions of euro)</i>		
The Netherlands.....	2,584	1,764	1,847
Other countries in the EU zone.....	408	771	484
North America.....	444	484	510
Latin America.....	5	7	11
Asia.....	256	465	2,603
Australia.....	5	12	10
Other countries.....	61	54	137
Total government clients	3,764	3,557	5,602
The Netherlands.....	341,614	332,489	320,446
Other countries in the EU zone.....	35,737	38,540	38,283
North America.....	42,010	40,876	41,245
Latin America.....	11,414	10,950	9,739
Asia.....	6,284	5,672	7,925
Australia.....	20,812	19,666	18,555
Other countries.....	220	144	99
Total private sector lending	458,091	448,337	436,292

Risk Elements*

Breakdown of assets and liabilities by repayment date*

The table below shows the Group's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date.

As of 31 December 2012,

Payments due by period	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	<i>(in millions of euro)</i>					
Cash and cash equivalents	64,198	3,903	2	0	0	68,103
Due from other banks	14,619	17,005	1,545	1,943	274	35,386
Trading financial assets	1,316	768	582	2,260	1,461	6,387
Other financial assets at fair value through profit or loss.....	0	8	1,217	1,205	3,481	5,911
Derivative financial instruments	300	4,912	4,374	22,332	33,505	65,423
Loans to customers	28,166	41,362	32,683	85,437	297,651	485,299
Available-for-sale financial assets ..	56	3,957	3,189	6,718	36,505	50,425
Deferred tax assets	—	—	62	—	559	621
Other assets (excluding employee benefits)	1,019	4,947	1,534	2,088	304	9,892
Total financial assets	109,674	76,862	45,188	121,983	373,740	727,447
Due to other banks	2,520	16,101	2,047	5,157	1,234	27,059
Due to customers	238,013	56,293	10,962	14,309	14,694	334,271
Debt securities in issue	1	46,851	61,091	77,756	37,637	223,336
Derivative financial instruments and other trade liabilities.....	10,001	5,182	4,580	26,788	28,249	74,800
Other debts (excluding employee benefits)	1,570	6,800	466	828	18	9,682
Other financial liabilities at fair value through profit or loss	1,532	920	3,294	8,340	10,005	24,091
Deferred tax liabilities	—	—	23	—	673	696
Subordinated debt	0	12	22	540	4,833	5,407
Total financial liabilities	253,637	132,159	82,485	133,718	97,343	699,342
Net liquidity surplus/(deficit)	(143,963)	(55,297)	(37,297)	(11,735)	276,397	28,105

The above breakdown was compiled on the basis of contract information, without taking into account actual movements in items in the statement of financial position. This is taken into account, however, for the day-to-day management of liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, historically that has been a stable source of financing. The regulations of the supervisory authority are also factored in. Based on the liquidity criteria of DNB, the Group had a substantial liquidity surplus as of 31 December 2012 and throughout 2012. The average liquidity surplus was 44% of the total liquidity requirement. The surplus as of 31 December 2012 was 41%

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

Interest rate sensitivity

The key indicators used for managing the interest rate risk are the BPV, the Equity at Risk and the Income at Risk.

The BPV is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2012, the BPV did not exceed €12 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of the Group equity's market value to interest rate fluctuations. A 100 basis point overnight upward parallel shock of the curve will result in a 1.4% drop in market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the amount of net interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease 5 basis points over a one-year period, net interest income would decrease by €18 million.

Cross-border outstandings*

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

As of 31 December 2012, there were no cross-border outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

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

	Banks	Public authorities	Private sector	Total
	<i>(in millions of euro)</i>			
As of 31 December 2012,				
France	4,448	6,001	4,213	14,662
Germany	3,556	6,605	5,751	15,912
U.K.	11,441	3,775	14,709	29,925
Poland	28	3,024	7,733	10,785
U.S.	5,294	14,471	53,871	73,636
Brazil	1,462	663	6,219	8,344
Australia.....	794	919	15,566	17,279
As of 31 December 2011,				
France	1,629	6,305	3,686	11,620
Germany	2,809	7,335	6,237	16,381
U.K.	8,312	3,020	10,062	21,394
Poland	149	2,440	6,562	9,151
U.S.	4,446	10,556	52,424	67,426
Brazil	1,217	921	6,423	8,561
Australia.....	433	423	14,614	15,470
As of 31 December 2010,				
France	4,398	12,151	3,368	19,917
Germany	4,054	9,441	5,955	19,450

	Banks	Public authorities	Private sector	Total
		<i>(in millions of euro)</i>		
Ireland.....	228	177	6,880	7,285
U.S.	7,650	440	10,377	18,467
Poland.....	70	2,970	5,982	9,022
U.S.	6,685	6,876	55,551	69,112
Brazil.....	955	1,040	5,267	7,262
Japan.....	2,918	5,207	210	8,335
Australia.....	824	888	14,363	16,075

Diversification of loan portfolio*

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g., by industry or by region. The Group uses the North America Industry Classification System as the leading system to classify industries. The North America Industry Classification System distinguishes a large number of sectors, subsectors and industries.

The table below is based on data according to the North America Industry Classification System and represents the loan portfolio of the Group loans by main sector as of 31 December 2012:

	As of 31 December 2012,		
	On balance	Off balance	Total
	<i>(in millions of euro)</i>		
Grain and oilseeds.....	16,111	754	16,865
Animal protein.....	17,747	288	18,035
Dairy.....	15,436	141	15,577
Fruit and vegetables.....	9,365	194	9,559
Farm inputs.....	6,024	832	6,856
Food retail.....	5,730	221	5,951
Beverages.....	3,921	21	3,942
Flowers.....	3,159	8	3,167
Sugar.....	2,268	11	2,382
Miscellaneous crop farming.....	2,682	4	2,686
Other.....	9,993	122	10,115
Total private sector lending to food and agri.....	92,436	2,700	95,136
Lessors of real estate.....	29,516	36	29,552
Finance and insurance (except banks).....	19,835	1,588	21,423
Wholesale.....	17,844	4,540	22,384
Activities related to real estate.....	7,142	1,355	8,497
Manufacturing.....	9,300	1,872	11,172
Transportation and warehousing.....	7,196	297	7,493
Construction.....	7,066	1,424	8,490
Healthcare and social assistance.....	6,017	34	6,051
Professional, scientific and technical services.....	5,983	243	6,226
Retail (except food and beverages).....	4,642	908	5,550

	As of 31 December 2012,		
	On balance	Off balance	Total
	<i>(in millions of euro)</i>		
Utilities	2,448	695	3,143
Information and communication.....	1,444	69	1,513
Arts entertainment and leisure	1,404	20	1,424
Other.....	25,789	2,104	27,893
Total private sector lending to trade, manufacturing and services.....	145,626	15,186	160,812
Private individuals	220,029	193	220,222
Total private sector lending	458,091	18,079	476,170

Apart from due from other banks (€34.1 billion as of 30 June 2013, which is 5% of total assets), the Group's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 48% of the total loan portfolio as of 30 June 2013. This portfolio has a relatively low risk profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 20% as of 30 June 2013. The proportion of the total loan portfolio attributable to trade, industry and services was 32% as of 30 June 2013. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10% of the total loan portfolio.

Impaired loans

Loans for which an allowance has been taken are called impaired loans. As of 30 June 2013, these loans amounted to €12,604 million (year-end 2012: €11,203 million). The allowance for loan losses covered 33% (year-end 2012: 34%) of the impaired loans. Over and above this allowance, additional coverage is raised through collateral and other securities. The Group forms allowances at an early stage and applies the one-obligor principle, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. As of 30 June 2013, impaired loans corresponded to 2.8% (year-end 2012: 2.4%) of the private sector loan portfolio.

The table below provides an analysis of the Group's impaired loans by business as of 30 June 2013, 31 December 2012, 31 December 2011 and 31 December 2010:

	As of 30	As of 31 December,		
	June,*	2012	2011	2010
		<i>(in millions of euro)</i>		
Domestic retail banking	6,558	5,317	4,559	3,577
Wholesale banking and international retail banking	3,322	3,456	3,493	2,649
Leasing.....	791	905	832	960
Real estate.....	1,933	1,525	1,066	793
Other	0	0	8	70
The Group	12,604	11,203	9,958	8,049

Summary of loan loss experience

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

	As of 31 December,			
	2012	2011	2010 (restated)	2010
	<i>(in millions of euro)</i>			
Domestic retail banking	1,543	1,376	1,325	2,030
Wholesale banking and international retail banking	889	670	585	1,915
Asset management	1	12	9	9
Leasing	451	444	387	387
Real estate	205	94	45	45
Other	0	14	13	13
Total balance as of 1 January	3,089	2,610	2,364	4,399
Domestic retail banking	1,783	1,119	1,124	1,124
Wholesale banking and international retail banking	1,214	1,333	1,296	1,296
Asset management	0	1	7	7
Leasing	264	313	287	287
Real estate	240	147	67	67
Total additions	3,501	2,913	2,781	2,781
Domestic retail banking	(424)	(465)	(759)	(759)
Wholesale banking and international retail banking	(572)	(578)	(665)	(665)
Asset management	(2)	(1)	(1)	(1)
Leasing	(64)	(127)	(29)	(29)
Real estate	(2)	(18)	(4)	(4)
Total reversal of impairments	(1,064)	(1,189)	(1,458)	(1,458)
Domestic retail banking	(1,376)	(590)	(415)	(235)
Wholesale banking and international retail banking	(658)	(542)	(581)	(1,560)
Asset management	0	(2)	(6)	(6)
Leasing	(196)	(199)	(219)	(219)
Real estate	(67)	(19)	(14)	(14)
Other	0	(14)	0	0
Total written off	(2,297)	(1,366)	(1,235)	(2,034)
Domestic retail banking	501	103	101	101
Wholesale banking and international retail banking	(28)	6	35	34
Asset management	1	(9)	3	3
Leasing	12	20	18	18

	As of 31 December,			
	2012	2011	2010 (restated)	
	<i>(in millions of euro)</i>			
Real estate.....	0	1	0	0
Other.....	0	0	1	1
Total other	486	121	158	157
Domestic retail banking.....	2,027	1,543	1,376	2,261
Wholesale banking and international retail banking.....	845	889	670	1,020
Asset management.....	0	1	12	12
Leasing.....	467	451	444	444
Real estate.....	376	205	94	94
Other.....	0	0	14	14
Total other balance as of 31 December	3,715	3,089	2,610	3,845

Due to customers*

The table below presents a breakdown of due to customers as of 31 December 2012, 31 December 2011 and 31 December 2010. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

	As of 31 December,		
	2012	2011	2010
	<i>(in millions of euro)</i>		
Time deposits.....	56,006	58,931	46,846
Current accounts/settlement accounts.....	81,640	73,443	71,147
Repurchase agreements.....	2,299	2,669	2,017
Other.....	21,525	34,147	25,966
Total due to customers by businesses	161,470	169,190	145,976
Savings deposits.....	149,661	140,028	130,928
Current accounts/settlement accounts.....	15,122	12,988	15,812
Other.....	8,018	7,686	6,045
Total due to customers by individuals	172,801	160,702	152,785
Total due to customers	334,271	329,892	298,761

Long-term and short-term borrowings*

Long-term and short-term are included in the Group's consolidated statement of financial position under "Debt securities in issue" and "Other financial liabilities at fair value through profit or loss".

An analysis of the balance of long-term borrowings as of 31 December 2012, 31 December 2011 and 31 December 2010 is provided below.

	As of 31 December,		
	2012	2011	2010
	<i>(in millions of euro)</i>		
Year-end balance	185,952	169,024	153,891
Average balance.....	184,554	164,471	141,209
Maximum month-end balance	191,074	169,024	153,891

An analysis of the balance of short-term borrowings as of 31 December 2012, 31 December 2011 and 31 December 2010 is provided below.

	As of 31 December,		
	2012	2011	2010
	<i>(in millions of euro)</i>		
Year-end balance	61,476	70,307	72,795
Average balance.....	72,290	74,246	80,424
Maximum month-end balance	82,795	79,737	88,623

SELECTED HISTORICAL FINANCIAL AND OPERATIONAL INFORMATION

The following selected financial data for the six-month periods ended 30 June 2013 and 30 June 2012, and the statement of financial position for the year-ended 31 December 2012 are derived from the condensed consolidated interim financial information 2013 of the Group, which have been reviewed by Ernst & Young Accountants LLP, the independent auditor in the Netherlands, with the exception of the financial ratios, which are derived from the interim report 2013 of the Group. The remaining selected financial data are derived from the audited consolidated financial statements of the Group, which have been audited by Ernst & Young Accountants LLP (with the exception of the bad debt costs, which are derived from the Group's annual reports for the years ended 31 December 2010, 31 December 2011 and 31 December 2012). The selected historical financial and operational information of the Group shown in the tables below should be read in conjunction with the information contained in "Important Information – Presentation of Financial and other Information", "Capitalisation and Indebtedness", "Operating and Financial Review", and the consolidated financial statements, including the notes thereto, incorporated by reference into this Prospectus and other financial data appearing elsewhere in this Prospectus. The financial data in the (sub) paragraphs in this chapter marked with an asterisk (*) have not been directly extracted from the audited financial statements but instead are unaudited and derived from the (condensed) consolidated (interim) financial information or accounting records of Rabobank Nederland, unless otherwise stated.

Consolidated Statement of Financial Position

(in millions of euro)	As of 30 June,*		As of 31 December,		
	2013	2012	2012*	2011	2010
Assets					
Cash and cash equivalents	45,181	68,154	68,103	70,430	13,471
Due from other banks	34,091	34,103	35,386	25,221	33,511
Trading financial assets	6,843	7,511	6,387	8,112	12,987
Other financial assets at fair value through profit or loss	5,381	7,209	5,911	7,015	9,588
Derivative financial instruments	47,774	65,411	65,423	58,973	43,947
Loans to customers	479,180	488,444	485,299	468,085	455,941
Available-for-sale financial assets	51,217	53,469	50,425	51,930	55,458
Held-to-maturity financial assets	—	51	—	109	218
Investments in associates	3,541	3,487	3,649	3,340	3,539
Intangible assets	2,279	2,994	2,343	2,802	3,675
Property and equipment	7,058	6,494	6,500	6,132	6,006
Investment properties	1,393	756	1,489	784	816
Current tax assets	1,057	777	597	571	357
Deferred tax assets	893	1,015	903	995	1,200
Other assets	11,236	12,321	9,900	12,210	11,822
Non-current assets held for sale and discontinued operations	1,264	16,624	8,338	14,956	—
Total assets	698,388	768,820	750,653	731,665	652,536

<i>(in millions of euro)</i>	As of 30 June,*		As of 31 December,		
	2013	2012	2012 ^{*(1)}	2011	2010
Liabilities					
Due to other banks	19,892	28,690	27,059	26,259	23,476
Due to customers	339,844	340,935	334,271	329,892	298,761
Debt securities in issue	197,891	227,892	223,336	213,441	196,819
Derivative financial instruments and other trade liabilities	59,248	72,141	74,800	64,931	49,640
Other debts	11,883	11,320	11,077	8,422	8,665
Other financial liabilities at fair value through profit or loss	21,785	25,417	24,091	25,889	29,867
Provisions	742	729	752	765	979
Current tax liabilities	222	305	205	324	359
Deferred tax liabilities	339	329	186	893	731
Subordinated debt	5,203	2,673	5,407	2,413	2,482
Liabilities held for sale and discontinued operations	681	15,000	7,216	13,435	—
Total liabilities	<u>657,730</u>	<u>725,431</u>	<u>708,400</u>	<u>686,664</u>	<u>611,779</u>
Equity					
Equity of Rabobank Nederland and Local Rabobanks	24,404	25,000	25,484	26,500	24,749
<i>Equity instruments issued directly</i>					
Current Member Certificates	6,243	6,607	6,672	6,614	—
Capital Securities	7,040	7,634	7,114	7,645	4,790
	<u>13,283</u>	<u>14,241</u>	<u>13,786</u>	<u>14,259</u>	<u>4,790</u>
<i>Equity instruments issued by subsidiaries</i>					
Current Member Certificates	—	—	—	—	6,583
Capital Securities	229	238	236	167	163
Trust Preferred Securities III to VI	1,315	1,355	1,340	1,399	1,353
	<u>1,544</u>	<u>1,593</u>	<u>1,576</u>	<u>1,566</u>	<u>8,099</u>
Non-controlling interests	1,427	2,555	1,407	2,676	3,119
Total equity	<u>40,658</u>	<u>43,389</u>	<u>42,253</u>	<u>45,001</u>	<u>40,757</u>
Total equity and liabilities	<u>698,388</u>	<u>768,820</u>	<u>750,653</u>	<u>731,665</u>	<u>652,536</u>

Note:

(1) Revised IAS 19 has been applied retrospectively.

Condensed Consolidated Statement of Income

	Six-month period 30 ended June,*		Year ended 31 December,		
	2013	2012	2012	2011	2010
	<i>(in millions of euro)</i>				
Interest.....	4,445	4,473	9,097	9,174	8,164
Commission.....	1,046	1,169	2,206	2,361	2,831
Other income.....	944	1,241	2,149	1,171	1,271
Total income	6,445	6,883	13,452	12,706	12,716
Staff costs.....	2,634	2,773	5,325	4,862	4,919
Other administrative expenses.....	1,352	1,364	2,979	2,850	2,706
Depreciation and amortisation.....	257	254	527	540	571
Operating expenses	4,243	4,391	8,831	8,252	8,196
Value adjustments.....	1,106	1,096	2,350	1,606	1,234
Bank tax.....			196	–	–
Operating profit before taxation	1,096	1,396	2,075	2,848	3,286
Income tax expense.....	82	180	160	355	514
Net profit from continued operations.....	1,014	1,216	1,915	2,493	2,772
Net profit from discontinued operations.....	98	71	197	134	–
Net profit	1,112	1,287	2,112	2,627	2,772
Of which attributable to Rabobank Nederland and local Rabobanks.....	550	660	897	1,549	1,846
Of which attributable to holders of Current Member Certificates.....	161	165	328	315	303
Of which attributable to Capital Securities.....	340	371	717	612	460
Of which attributable to Trust Preferred Securities III to VI.....	34	38	75	73	73
Of which attributable to non-controlling interests.....	27	53	95	78	90
Net profit	1,112	1,287	2,112	2,627	2,772

Financial Ratios

	As of 30 June 2013*	As of 31 December 2012	As of 30 June 2012*	As of 31 December 2011	As of 31 December 2010
BIS ratio	18.7%	19%	17.6%	17.5%	16.3%
Tier 1 ratio	16.9%	17.2%	16.9%	17%	15.7%
Core tier 1 ratio.....	12.9%	13.2%	12.7%	12.7%	12.6%
Equity capital ratio ⁽¹⁾	15.2%	15.3%	14.5%	14.7%	14.2%
Bad debt costs (in basis points of average lending)	49*	52*	49*	37*	29*

Note:

(1) The equity capital ratio is calculated by dividing retained earnings and Current Member Certificates by total of risk-weighted assets.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's consolidated own funds and consolidated long-term and short-term debt securities as of 30 June 2013 and 31 December 2012. All information has been derived from and should be read in conjunction with the Group's consolidated financial statements and the notes thereto incorporated by reference herein, the information included in "Selected Financial Information", the information in "Operating and Financial Review" and other financial data appearing elsewhere in this Prospectus.

	At 30 June,*	At December
	2013	31,*
	2013	2012 ⁽¹⁾
	(in millions of euro)	
Capitalisation of the Group		
Equity of Rabobank Nederland and Local Rabobanks	24,404	25,484
Equity instruments issued directly		
- Current Member Certificates	6,243 ⁽²⁾	6,672
- Capital Securities	7,040	7,114
	13,283	13,786
Equity instruments issued by subsidiaries		
- Capital Securities	229	236
- Trust Preferred Securities III to VI	1,315	1,340
	1,514	1,576
Other non-controlling interests	1,427	1,407
Total equity	40,658	42,253
Subordinated debt	5,203 ⁽³⁾	5,407
Long-term debt securities in issue	150,133	161,860
Short-term debt securities in issue	47,758	61,476
Total capitalisation	243,752	270,996
Breakdown of equity of Rabobank Nederland and Local Rabobanks		
Revaluation reserves – Available-for-sale financial assets	310	420
Revaluation reserve – Pensions	(2,972)	(2,320)
Other reserves	(176)	(73)
Retained earnings	27,242	27,457
Total equity of Rabobank Nederland and Local Rabobanks	24,404	25,484

Note:

(1) Revised IAS 19 has been applied retrospectively.

(2) This number has decreased by €1 billion due to the 40 million Current Member Certificates that Rabobank Nederland (bought back and subsequently) cancelled on 6 November 2013.

(3) This number has increased due to the total amount of subordinated (tier 2) notes that were issued by the Group on 18 July 2013 (€ 1 billion) and 25 November 2013 \$3 billion.

Other than the fact that (i) the Group issued €1 billion subordinated (tier 2) notes with a maturity of 10 years on 18 July 2013; (ii), Rabobank Nederland cancelled 40 million Current Member Certificates which represented a total nominal amount of €1 billion on 6 November 2013; and (iii) the Group issued \$1.75 billion subordinated (tier 2) notes with a maturity of 10 years and \$1.25 billion subordinated (tier 2) notes with a maturity of 30 years on 25 November 2013, all as described under "Business – Recent Developments", there has been no material change in the capitalisation of the Group since 30 June 2013.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This section summarises certain information concerning the Executive Board, the Supervisory Board and Rabobank Nederland's employees. It is based on relevant provisions of Dutch corporate law as in effect on the date of this Prospectus, the Rabobank Nederland Articles, and the Supervisory Board Rules (as defined below).

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the Rabobank Nederland Articles, the Supervisory Board Rules and the relevant provisions of Dutch law as in force on the date of this Prospectus and should not be considered legal advice regarding these matters. The Rabobank Nederland Articles and the Supervisory Board Rules are available in the governing Dutch language and an unofficial English translation thereof on Rabobank Nederland's website (www.rabobank.com).

Management Structure

Rabobank Nederland has a two-tier board structure consisting of the Executive Board and the Supervisory Board. The members of the independent, cooperative local Rabobanks exercise influence at a local level. As members of Rabobank Nederland, the local Rabobanks in turn play an important role in the policy-making within the Group's organisation. For example, a distinguishing feature in the Group's governance is the Central Delegates Assembly, the Group's parliament, which meets at least four times a year and where a selection of representatives of Rabobank Nederland's members are able to participate in virtually all Rabobank Nederland's strategic decisions.

Rabobank Nederland is subject to the provisions in the DCC referred to as the 'large cooperative regime' (*regime voor de grote coöperatie*), also known as the 'structure regime' (*structuurregime*) for cooperatives. Under Dutch law, a 'large cooperative' (*structuurcoöperatie*) is a cooperative that meets the following criteria: (i) according to the balance sheet with explanatory notes the sum of the company's equity (total assets minus liabilities) amounts to at least a level set for this purpose by royal decree (which amount has been set to at least €16,000,000 as of the date of this Prospectus); (ii) the company or a dependent company has, pursuant to a legal obligation, established a works council; and (iii) the company and its dependent companies together normally employ at least 100 employees in the Netherlands. As a result of Rabobank Nederland qualifying as a structure cooperative, the Supervisory Board is bound by certain specific regulations. The members of the Supervisory Board are appointed according to a special procedure (see "– Supervisory Board – Appointment, term and removal") in which not only the Supervisory Board and the General Meeting, but also the Works Council plays an important role. A number of important resolutions of the Executive Board are mandatorily subject to the approval of the Supervisory Board.

Executive Board

The management of Rabobank Nederland's operations by the Executive Board, as well as the operations of the Group, is based on its strategic principles and, by extension, on the interrelationship between risk, return and equity. The Executive Board reports to the Supervisory Board, the Central Delegates Assembly (*Centrale Kringvergadering*) and the General Meeting.

Powers, responsibilities and functioning

The Executive Board is responsible for the management of Rabobank Nederland's operations, as well as the operations of the Group, subject to the supervision of the Supervisory Board. The Executive Board's responsibilities include, among other things, achieving the objectives of the Group as a whole, its strategic policy with the associated risk profile, its results, the social aspects of its business and their relevance to the enterprise, the synergy within the Group, compliance with all relevant laws and regulations, the management of business risks and the financing of the Group, adopting participation rules, deciding to issue or cancel participation rights, deciding on the termination of and expulsion from memberships, proposing financial statements (to be adopted by the General Meeting), convening the General Meeting, and day-to-day management of Rabobank Nederland's operations. The Executive Board may perform all acts necessary or desirable that advance the interest of the Group, with the exception of those acts that are prohibited by law or by the Rabobank Nederland Articles. The members of the Executive Board share responsibility for all decisions and acts of the Executive Board and for the acts of each individual member of the Executive Board. Pursuant to the Rabobank Nederland Articles, the members of the Executive Board may allocate their activities among themselves. The allocation of activities requires the approval of the Supervisory Board. The Executive Board is under the obligation to consult regularly with the Supervisory Board. In performing its duties, the Executive Board is required to be guided by the interests of Rabobank Nederland and its affiliated enterprise, taking into consideration the interests of Rabobank Nederland's stakeholders. The Executive Board must submit certain important decisions to the Supervisory Board, the Central Delegates Assembly or the General Meeting for approval, advice or a final decision, as more fully described below.

The Executive Board as a whole is authorised to represent Rabobank Nederland. In addition, two members of the Executive Board acting jointly may represent Rabobank Nederland. The Executive Board is authorised to grant a mandate, power of attorney or proxy in writing, provided that the acts to which they apply are stated.

Conflict of interest

If a member of the Executive Board privately concludes an agreement with Rabobank Nederland (not including the concluding or amending of agreements that Rabobank Nederland would normally conclude with employees subject to the normal terms and conditions that also apply to other employees) or privately institutes any legal proceedings against Rabobank Nederland, Rabobank Nederland may be represented by a member of the Supervisory Board designated by the Supervisory Board for the purpose. Also, the General Meeting may designate one or more persons to represent Rabobank Nederland in cases where Rabobank Nederland has a conflict of interest with one or members of the Executive Board or the Supervisory Board. If a member of the Executive Board has a conflict of interest with Rabobank Nederland other than as described in the first sentence of this paragraph, he or she and any other member of the Executive Board shall remain authorised to represent Rabobank Nederland jointly with at least one other Executive Board member, unless the General Meeting has designated one or more (other) persons to represent Rabobank Nederland as a result of which the member that has a conflict of interest is no longer authorised to represent Rabobank Nederland on such (conflicted) topics.

Composition, appointment and removal

The Supervisory Board determines the number of members of the Executive Board. The Executive Board shall consist of at least two members. Only natural persons can be members of the Executive Board.

Pursuant to Dutch law and/or the Rabobank Nederland Articles, members of the Executive Board may not also be members of the Supervisory Board and/or the Central Delegates Assembly. Furthermore, members of the Executive Board may not hold any office with (i) a member of Rabobank Nederland or (ii) a credit institution within the meaning of FMSA that is not in any way affiliated to Rabobank Nederland.

The Supervisory Board appoints the members of the Executive Board. The Supervisory Board shall appoint the Executive Board's chairman and may also appoint one or more deputy chairmen.

The Supervisory Board may at any time suspend or dismiss a member of the Executive Board. A resolution to suspend an Executive Board member by the Supervisory Board shall state the period for which it is valid. If no resolution to dismiss an Executive Board member is passed within this period, the suspension shall lapse.

Terms of appointment

Members of the Executive Board are appointed for a maximum term of four years. A retiring member of the Executive Board can be reappointed. The terms of employment of the members of the Executive Board provide for an indefinite period of time of employment.

Board meetings and decisions

Under the Rabobank Nederland Articles, the Executive Board can only adopt resolutions if at least two of its members are present. A resolution is to be adopted by an absolute majority of the votes cast. In the event of a tied vote, the proposal shall be rejected, unless a member of the Executive Board takes the view that the decision of the Executive Board cannot be postponed. In that case, the matter will be submitted for the advice of the Supervisory Board. Resolutions can also be adopted without holding a meeting, provided this is done by letter, fax or other form reproducible in writing, and provided that at least half of the members in office at that time vote in favour of the resolution concerned. Such a resolution shall be signed by the secretary in the register of minutes and its passing shall be communicated to all members of the Executive Board.

The Executive Board must obtain the approval of the General Meeting for resolutions entailing a significant change in the identity or nature of Rabobank Nederland. The following resolutions of the Executive Board are, among others, subject to the prior approval of the Supervisory Board: (i) the issuing of debt instruments by Rabobank Nederland or by a limited or general partnership of which Rabobank Nederland is a fully liable partner, as well as the application for the quotation or withdrawal of the quotation of such debts instruments on the price list of any stock exchange; (ii) entering into or severing any long-term cooperation of Rabobank Nederland or an dependant company (as defined in the Rabobank Nederland Articles) with another legal entity or company or as a fully liable partner in a limited or general partnership if the cooperation or severance is of strategic importance to Rabobank Nederland; (iii) the acquisition of a participating interest by Rabobank Nederland or an dependant company (as defined in the Rabobank Nederland Articles) in the capital of a company, if the value of the participating interest is at least one hundred and twenty-five million euro (€125,000,000) or, if this is lower, at least one quarter of the amount of Rabobank Nederland's own funds according to its balance sheet with explanatory notes, as well as a significant increase or decrease in such a participating interest; (iv) additions and disposals involving an amount equal to or greater than one hundred and

twenty-five million euro (€125,000,000) or, if this is lower, equal to or more than one quarter of the amount of Rabobank Nederland's own funds according to its balance sheet with explanatory notes; (v) proposals for amending the Rabobank Nederland Articles or by-laws of Rabobank Nederland; (vi) proposals for dissolving Rabobank Nederland, petitions for bankruptcy and applications for a moratorium on payments (*surséance van betaling*); (vii) the termination of employment of a considerable number of employees of Rabobank Nederland or of an dependant company (as defined in the Rabobank Nederland Articles) either simultaneously or within a short period of time; (viii) radical changes in the working conditions of a considerable number of employees of Rabobank Nederland or of an dependant company (as defined in the Rabobank Nederland Articles); (ix) the purchasing, alienation, encumbering, hiring or letting of movable and immovable property and the construction of buildings on behalf of Rabobank Nederland if this would entail exceeding a limit set in the by-laws; (x) proposals to the General Meeting for legal mergers (as defined in Section 2:309 DCC) or legal divisions (as defined in Section 2:334a DCC) to which Rabobank Nederland is a party; (xii) the appointment of directors of Rabobank Nederland; (xiii) the adoption of the policy plans and budget each year; and (xiv) the adoption of Executive Board rules regarding its functioning and internal organisation. In addition, the Supervisory Board is authorised to resolve that other resolutions of the Executive Board are subject to its approval. The Executive Board shall, among other matters, submit to the Supervisory Board for examination the annual report, financial statements and other information to be submitted to the General Meeting.

In addition to the requirement to obtain the approval of the Supervisory Board for certain resolutions, advice from the Central Delegates Assembly shall be required for certain resolutions (*e.g.*, the resolutions under (ii) and (x) described above) by the Executive Board. Furthermore, the Executive Board requires the prior approval of the Central Delegates Assembly for (i) the proposals on the policy for the business of cooperative banks that are members of Rabobank Nederland presented each year by the Executive Board to the Central Delegates Assembly and (ii) the proposed resolution to adopt the budget of Rabobank Nederland insofar as this concerns the business of such cooperative banks.

Members of the Executive Board

At the date of this Prospectus, the Executive Board is composed of five members, all of whom are resident in the Netherlands. Mr Piet Moerland, the former chairman of the Executive Board, stepped down as of 29 October 2013. On 18 November 2013, Mr Sipko Schat also stepped down as member of the Executive Board. Mr Piet van Schijndel was a member of the Executive Board until he retired as of 30 November 2012. In addition, Ms Gerlinde Silvis was a member of the Executive Board until she stepped down with effect from 25 January 2013. Mr Hans van der Linden also stepped down with effect from 4 September 2013.

The members of the Executive Board are:

Name	Date of birth	Position	Member as of	Current Term
Rinus (M.) Minderhoud	13 September 1946	Chairman	29 October 2013	Ad interim
Bert (A.) Bruggink	11 November 1963	CFO	15 November 2004	November 2016
Ralf (R.J.) Dekker	18 February 1957	Member	1 November 2013	November 2017
Berry (B.J.) Marttin	16 November 1965	Member	1 July 2009	July 2017
Rien (H.) Nagel	13 January 1963	Member	1 November 2013	November 2017

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

Rinus (M.) Minderhoud: Mr Minderhoud was appointed as chairman of the Executive Board after Mr Piet Moerland stepped down as of 29 October 2013. From 1987 until 1998, Mr Minderhoud served in several management positions within ING Group N.V., ING Bank N.V. and Postbank N.V. In 2002 Mr Minderhoud was appointed in the Supervisory Board. Mr Minderhoud currently serves as chairman of the supervisory boards of Vodafone International Holdings B.V. and Vodafone Europe N.V., as vice-chairman of the supervisory board of Achmea B.V. and as a member of the supervisory board of De Friesland Zorgverzekeraar.

Bert (A.) Bruggink: Mr Bruggink was appointed as CFO of the Executive Board as of 15 November 2004. Mr Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Asset Management Rabobank. Mr Bruggink joined the Group in 1986. After several different jobs in Finance and Control within the Group, he became Head of the Control CBB (Central Banking Business), later Control RI (Rabobank International) (1994-1998) and Head of the CRG (Control Rabobank Group) (1998-2004). As CFO, he fulfils several additional functions. He is a member of the supervisory board of Robeco and chairman of the board of the Stichting Rabobank Pensioen Fonds, member of the supervisory board of Rabohypotheekbank and member of the supervisory board of Rabo Herverzekeringsmaatschappij N.V. Furthermore, he is a member of the supervisory board of ROVA Holding N.V., member of the supervisory board of FMO N.V., a member of the supervisory board of Windesheim University and professor at the University of Twente.

Ralf (R.J.) Dekker: Mr Dekker was appointed to the Executive Board as of 1 November 2013. He joined Rabofacet in 1993. He acts as a member of the board of directors of Rabo Financial Products B.V. and is chairman of the board of commissioners of the PT Bank Rabobank International Indonesia. In the past he acted as member of the managing board of Rabobank International, Chief Operating Officer and member of the Wholesale and Rural & Retail management teams.

Berry (B.J.) Marttin: Mr Marttin was appointed to the Executive Board as of 1 July 2009. Mr Marttin joined Rabobank in 1990. Within the Executive Board, Mr Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than 14 years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale banking and retail banking. After fulfilling a number of positions in Brazil, Mr Marttin was appointed senior marketing officer in Curacao. In 1997 he continued his career as Head of International Corporates in Hong Kong. Mr Marttin subsequently moved to Indonesia four years later to take up an appointment as Head of Risk Management. Thereafter, Mr Marttin served as Deputy General Manager of Rural Banking in Australia and New Zealand. Prior to his appointment to the Executive Board, he was chairman of the board of directors of Rabobank Amsterdam. Mr Marttin is a member of the supervisory boards of De Lage Landen, and Rabohypotheekbank, and a member of the boards of directors of Rabobank International Holding B.V., RI Investments Holding B.V. and chairman of the board of the supervisory foundation for the internal market in Rabo Extra Member Bonds² (Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties) and a member of the board of directors of the Rabobank Foundation³. Mr Marttin is a member of the board of Rabobank Australia Ltd, the board of Rabo NZ Holdings and the board of Rabo Australia Ltd. Mr Marttin is also a member of the board of Unico Banking Group, vice chairman of the board of directors of the American Chambers of Commerce in the Netherlands, a member of the supervisory board of Wageningen University, chairman of the Advisory board of Amsterdam University College, member of the Dutch Trade Board, member of the advisory board of advice of JINC and member of the supervisory board of the Sustainable Trade Initiative.

Rien (H.) Nagel: Mr Nagel was appointed to the Executive Board as of 1 November 2013. Since 1987, Mr Nagel held several managing positions in Local Rabobanks before becoming director Retail Banking of Rabobank Nederland in 2013, after which he was appointed to the Executive Board as of 1 November 2013. Mr Nagel is a member of the boards of directors of the Rabobank Foundation⁴ and of Utrecht Development Board. He is a member of the supervisory boards of The Utrecht landscape (Utrecht's Landschap) and of Villa Mondriaan Foundation Winterswijk as well as a member of the advisory board of the University Centre for Sports Medicine. From 2009 to 2013, Mr Nagel was director of the general board of the Chamber of Commerce of Midden-Nederland. From 2010 to 2013 he was a director of the St. Antonius Hospital Research Fund and from 2007 to 2013 he was a member of the steering committee of the Utrecht Valorisation Center.

Potential conflict of interest and other information

Rabobank Nederland is not aware of any potential conflicts of interest between the private interests or other duties of the members of the Executive Board and their duties to Rabobank Nederland. There is no family relationship between any member of the Executive Board or the Supervisory Board.

During the last five years, none of the members of the Executive Board (i) have been convicted of fraudulent offences, (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Rabobank Nederland is not aware of any arrangement or understanding with major holders of certificates, customers or others pursuant to which any member of the Executive Board was selected as a member of the administrative or management bodies, or as a member of senior management.

Supervisory Board

The Supervisory Board performs the supervisory role within Rabobank Nederland. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank Nederland and its affiliated entities. As part thereof, the Supervisory Board monitors the compliance with the law, the Rabobank Nederland Articles and other relevant rules and regulations.

² Until 1 January 2014.

³ As per 1 January 2014 Mr Marttin will be a member of the supervisory board instead of the board of directors.

⁴ As per 1 January 2014 Mr Nagel will be a member of the supervisory board instead of the board of directors.

In practice, this means that among other the achievement of the Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

Certain key Executive Board decisions are subject to Supervisory Board approval as described above; see “– Executive Board – Board meetings and decisions”.

Powers, responsibilities and functioning

The Supervisory Board supervises the conduct and policies of the Executive Board and the general course of affairs of Rabobank Nederland and its business. The Supervisory Board also provides advice to the Executive Board. In performing their duties, the members of the Supervisory Board are required to be guided by the interests of Rabobank Nederland and its affiliated enterprise, taking into consideration the interests of Rabobank Nederland's stakeholders. The Executive Board must promptly provide the Supervisory Board with the information it needs to carry out its duties. The Supervisory Board may, at Rabobank Nederland's expense, seek the advice of experts in such fields as the Supervisory Boards deems desirable for the proper performance of its duties.

Supervisory Board Rules

As permitted by the Rabobank Nederland Articles, the Supervisory Board has adopted rules of procedure for the Supervisory Board (the “**Supervisory Board Rules**”). The Supervisory Board Rules can be downloaded from Rabobank Nederland's website under Corporate Governance.

Appointment and removal

The General Meeting determines the number of members of the Supervisory Board. The Supervisory Board shall consist of at least seven members. Only natural persons can be members of the Supervisory Board.

Pursuant to Dutch law and/or the Rabobank Nederland Articles, members of the Supervisory Board may not also be members of the Executive Board and/or the Central Delegates Assembly. Furthermore, members of the Supervisory Board may not hold any office with (i) a member of Rabobank Nederland or (ii) a credit institution within the meaning of FMSA that is not in any way affiliated to Rabobank Nederland.

The members of the Supervisory Board are appointed by the General Meeting on the nomination of the Supervisory Board. The Committee on Confidential Matters advises the chairman of the Supervisory Board in respect of the candidate to be nominated. The General Meeting, the Executive Board and the Works Council shall be authorised to recommend persons to the Supervisory Board to be nominated for membership of the Supervisory Board. To that end, the Supervisory Board shall inform them in good time as to when and in consequence whereof a vacancy on the Supervisory Board has to be filled. The Supervisory Board must inform the General Meeting, the Central Delegates Assembly, the Executive Board and the Employees Council of the name of the person it has nominated. When a person is recommended or nominated for appointment to the Supervisory Board, the candidate's age, profession and the positions which he or she holds, or held in the past, insofar as these are of importance for the performance of a Supervisory Board member's duties, shall be stated, together with the names of the legal entities for which he or she already acts as a Supervisory Board member or as a supervisory director; if these include legal entities which form part of the same group, stating the name of group shall be sufficient. The nominated person shall be appointed by the General Meeting unless the Works Council, or a competent works council of a subsidiary objects the nomination on certain grounds as included in the Rabobank Nederland Articles.

The reasons for the recommendation and the nomination must be provided. The independence of the individual members, among other factors, is an important consideration for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank Nederland and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the Supervisory Board is drawn up in consultation with the Committee on Confidential Matters of the Central Delegates Assembly and is adopted by the General Meeting. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment. The profile of the Supervisory Board can be downloaded from Rabobank Nederland's website under Corporate Governance.

The Supervisory Board shall designate a chairman and a secretary from among its own members. It shall also designate their respective deputies.

A member of the Supervisory Board may only be suspended by the Supervisory Board. A representative designated by the Supervisory Board, by the General Meeting or by the Works Council shall be authorised to request the Enterprise Chamber of the Amsterdam Court of Appeal (ondernemingskamer van het gerechtshof Amsterdam) to dismiss a member of the Supervisory Board because he or she has neglected his or her duties,

because of other important reasons or because of a radical change in the circumstances on the grounds of which maintaining his or her Supervisory Board membership may not reasonably be required of Rabobank Nederland. Any suspension shall lapse by operation of law if within one month after the beginning of the suspension no request for dismissal has been made to the Enterprise Chamber of the Amsterdam Court of Appeal.

Terms of appointment

Members of the Supervisory Board are appointed for a maximum term of four years, provided that, unless a member of the Supervisory Board resigns at an earlier date, his or her term of office lapses on the day of the first annual General Meeting to be held in the fourth year after the year of his or her appointment. A retiring member of the Supervisory Board can be re-appointed. A member of the Supervisory Board serves for a maximum period of twelve years. The Supervisory Board has drawn up a retirement schedule for members of the Supervisory Board. A member of the Supervisory Board who has been appointed to replace a member of the Supervisory Board who has resigned ahead of schedule shall take the place of his predecessor in the rotation schedule, unless otherwise decided at the time of his appointment.

Meetings and decisions

Pursuant to the Rabobank Nederland Articles and the Supervisory Board Rules, the Supervisory Board holds at least six meetings a year. In addition to these scheduled meetings, the Supervisory Board meets as frequently as the chairman of the Supervisory Board deems to be necessary to serve the interests of Rabobank Nederland, and when at least one-third of the members of the Supervisory Board requests the convening of a meeting of the Supervisory Board. The Supervisory Board also meets following a request to that effect from the chairman of the Executive Board. Members of the Executive Board shall attend the meetings of the Supervisory Board, unless the Supervisory Board decides otherwise.

The Supervisory Board can only adopt resolutions by an absolute majority of the valid votes cast in a meeting attended by at least half of the members of the Supervisory Board or their representatives. Members of the Supervisory Board can arrange for their representation at meetings of the Supervisory Board by another member of the Supervisory Board. Individual members of the Supervisory Board may represent no more than one other member of the Supervisory Board. Blank votes are deemed not to have been cast.

Resolutions can also be adopted without holding a meeting, provided that the decisions are made in writing or can be reproduced in writing and that at least half of the members agree to the proposal. The Secretary makes a note of any such decision in the minutes register. All members of the Supervisory Board and all members of the Executive Board are notified of the decision.

Conflict of interest

Pursuant to the Supervisory Board Rules, in case of a conflict of interest, as defined in the Supervisory Board Rules, members of the Supervisory Board are required to report a conflict of interests or potential conflict of interests of material significance to Rabobank Nederland or the relevant member of the Supervisory Board promptly to the chairman of the Supervisory Board together with all the relevant information, including relevant information relating persons directly related to the member (such as his or her spouse or relative). The Supervisory Board subsequently decides without the relevant member being present whether a conflict of interest exists. Members of the Supervisory Board do not take part in the decision-making process on issues or transactions on a subject or transaction in which they have a conflict of interest. Resolutions to enter into transactions that are of material significance to Rabobank Nederland and/or the relevant member, in relation to which a member of the Supervisory Board has a conflict of interest, require the approval of the Supervisory Board. All transactions in which there are conflicts of interest with members of the Supervisory Board shall be agreed on terms that are customary in the sector concerned.

Members of the Supervisory Board

At the date of this Prospectus, the Supervisory Board is composed of ten members, all of whom are resident in the Netherlands. Mr Rinus Minderhoud was a member of the Supervisory Board until he stepped down with effect from 29 October 2013 in connection with his appointment as interim chairman of the Executive Board as of 29 October 2013; see “– Executive Board – Members of the Executive Board”. As a result of a 2002 amendment of the management organisation of Rabobank Nederland, the former supervisory council was replaced by the Supervisory Board due to which the appointment date for Mr Vermeer was set at the year 2002 even though he previously had a position on the supervisory council.

The members of the Supervisory Board are:

Name	Date of birth	Position	Member as of	Current Term
Wout (W.) Dekker	10 November 1956	Chairman	17 June 2010	2016
Antoon (A.J.A.M.) Vermeer	21 October 1949	Vice-chairman	6 June 2002	2014
Irene (I.P.) Asscher-Vonk	5 September 1944	Member	18 June 2009	2017
Cornelis (C.H.) van Dalen	1 November 1952	Member	25 September 2013	2017
Leo (L.N.) Degle	15 August 1948	Member	19 June 2012	2016
Louise (L.O.) Fresco	11 February 1952	Member	15 June 2006	2014
Leo (S.L.J.) Graafsma	29 March 1949	Member	29 September 2010	2014
Erik (E.A.J.) van de Merwe	30 December 1950	Member	17 June 2010	2016
Ron (R.) Teerlink	28 January 1961	Member	25 September 2013	2017
Cees (C.P.) Veerman	8 March 1949	Member	21 June 2007	2015

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

Mr W. Dekker (Wout)

<i>Date of birth</i>	10 November 1956
<i>Former profession</i>	Professional supervisory director
<i>Main position</i>	Chairman of the Supervisory Board (as of 20 June 2013)
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	Supervisory Directorships: <ul style="list-style-type: none"> – Member of the supervisory board of Macintosh Retail Group N.V. – Member of the supervisory board of Randstad N.V. – Chairman of the supervisory board of Prinses Máxima Centrum
<i>Former position:</i>	CEO of Nutreco N.V. from 2000 – 2012
<i>Date of first appointment to the Supervisory Board</i>	June 2010
<i>Current term of appointment to the Supervisory Board</i>	June 2012 – June 2016

Mr A.J.A.M. Vermeer (Antoon)

<i>Date of birth</i>	21 October 1949
<i>Profession</i>	Professional director/supervisory director
<i>Main positions</i>	Member of a dairy farming partnership (<i>maatschap melkveehouderijbedrijf</i>)
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	Supervisory Directorships: <ul style="list-style-type: none"> – Vice-chairman of the Supervisory Board – Member of the supervisory board of Achmea B.V.
<i>Former position:</i>	Chairman of the board of ZLTO and board member LTO Nederland (1996-2009)
<i>Former auxiliary positions</i>	<ul style="list-style-type: none"> – Chairman of the supervisory board of Sobel/Sovion/VION N.V. from 1996 -1998 – 2012 (from 1996 – 1998 member of the supervisory board of Sobel) – Chairman of the bestuursraad of KNBTB (1983 – 2012 member, vice-chairman and chairman) – Chairman of the steering committee of Landbouw Innovatie Noord-Brabant (1995 – 2012)
<i>Date of first appointment to the Supervisory Board</i>	June 2002

Current term of appointment to the Supervisory Board June 2010 – June 2014

Mrs I.P. Asscher-Vonk (Irene)

Date of birth 5 September 1944

Profession Professional supervisory director

Main position None

Nationality Dutch

Auxiliary positions

Supervisory Directorships:

- Member of the Supervisory Board
- Member of the supervisory board of KLM N.V.
- Member of the supervisory board of Arriva Nederland B.V.
- Member of the supervisory board of Philip Morris Holland B.V.

Other auxiliary positions:

- Chair of the Dutch Museum Association
- Chair National Arbitration Board for Schools (Landelijke Geschillencommissie Scholen)

Former position: Professor Social Law at Radboud University Nijmegen from 1994 – 2009

Former auxiliary positions

- Member of the supervisory board of TBI from 2009 – 2012
- Member of the supervisory board of PGGM from 2007 – 2009

Date of first appointment to the Supervisory Board June 2009

Current term of appointment to the Supervisory Board June 2013 – June 2017

Mr C.H van Dalen (Henk)

Date of birth 1 November 1952

Profession

- Advisor
- Professional director/supervisory director

Main position Director of Avenue Business Consulting B.V.

Nationality Dutch

Auxiliary positions

Supervisory Directorship:

- Member of the Supervisory Board
- Chairman of the supervisory board at Macintosh Retail Group N.V.
- Member of the supervisory board and chairman of the audit committee of Brabantse Ontwikkelings Maatschappij (BOM)
- Member of the supervisory board of AVEBE (as of 12 December 2013)

Other auxiliary positions:

- Member of the advisory board of the Netherlands Association for Investor Relations (NEVIR)
- Member of the advisory board at Zorg-Vuldig Healthcare Organisation
- Member of the advisory board of Nederland Cares
- Member of the advisory board of Duisenberg School of Finance
- Member of the advisory board of Nationaal Fonds 4 en 5 mei

<i>Former positions:</i>	<ul style="list-style-type: none"> – CFO and member of the executive board of TNT N.V. from 2006 – 2010 – CFO and member of the executive board of VimpelCom Ltd. from 2010 – 2013
<i>Date of first appointment to the Supervisory Board</i>	September 2013
<i>Current term of appointment to the Supervisory Board</i>	September 2013 – June 2017
Mr L.N. Degle (Leo)	
<i>Date of birth</i>	15 August 1948
<i>Profession</i>	Professional director/supervisory director
<i>Main position</i>	None
<i>Nationality</i>	German
<i>Auxiliary positions</i>	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> – Member of the Supervisory Board – Member supervisory board of Berlage B.V. – Member of the supervisory board of Ten Kate B.V.
<i>Former position:</i>	<ul style="list-style-type: none"> – Chief country officer at Deutsche Bank Nederland from 2000 – 2011
<i>Former auxiliary positions</i>	<ul style="list-style-type: none"> – Member of the supervisory board of Amsterdam Trade Bank (until 2012) – Member of the board of the German Dutch Trade Register (until 2013) – Chairman of the board of the Foreign Bankers' Association in the Netherlands (FBA) (until 2011)
<i>Date of first appointment to the Supervisory Board</i>	June 2012
<i>Current term of appointment to the Supervisory Board</i>	June 2012 – June 2016
Mrs L.O. Fresco (Louise)	
<i>Date of birth</i>	11 February 1952
<i>Profession</i>	Professional director/supervisory director Professor Advisor
<i>Main position</i>	University Professor, University of Amsterdam
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> – Member of the Supervisory Board – Non-executive director, Unilever N.V./Unilever PLC <p>Other auxiliary positions:</p> <ul style="list-style-type: none"> – Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER) – Honorary Professor at Wageningen University – Member Royal Holland Society of Sciences and Humanities – Member Royal Netherlands Academy of Arts and Sciences

- Member of the Real Academia de Ingenieria (*Spanish Academy of Engineering Sciences*)
- Member of the Royal Swedish Academy of Agriculture and Forestry
- Member of the advisory board of World Food Prize (*Wereldvoedselprijs*)
- Member of the board of Praemium Erasmianum Foundation (*Erasmusprijs*)
- Member of the Board of the Royal Concertgebouw Orchestra
- Member of the Trilateral Commission of France, Japan and the U.S.
- Columnist NRC Handelsblad, NRC Next and NRC International
- Extraordinary member of the Dutch Safety Board
- Advisor Office Chérifien des Phosphates (Groupe OCP) Morocco
- Member Strategic Advisory Board of the Director General Food and Agriculture Organisation (FAO), UN-Rome
- Member – Board of Trustees – Shell Foundation – U.K.

Date of first appointment to the Supervisory Board

June 2006

Current term of appointment to the Supervisory Board

June 2010 – June 2014

Mr S.L.J. Graafsma RA (Leo)

Date of birth

29 March 1949

Former profession

Public Accountant/partner of audit, tax and advisory firm KPMG until 2008

Main position

None

Nationality

Dutch

Auxiliary positions

- Member of the Supervisory Board
- Deputy member of the “Accountantskamer” (disciplinary court for accountants)
- Member of the Committee for the Investigation of DSB Bank (Commissie Scheltema) (2009 – June 2010)

Former auxiliary positions

Date of first appointment to the Supervisory Board

September 2010

Current term of appointment to the Supervisory Board

September 2010 – June 2014

Mr E.A.J. van de Merwe (Erik)

Date of birth

30 December 1950

Profession

Advisor, owner of E. van de Merwe Consulting B.V.
Professional director/supervisory director

Main position

None

Nationality

Dutch

Auxiliary positions

Supervisory Directorships:

- Member of the Supervisory Board

- Chairman of the supervisory board (and audit committee) of Staalbankiers N.V.
- Chairman of the supervisory board (and audit committee) of Achmea Bank Holding N.V.
- Chairman of the supervisory board (and member of audit committee) of Achmea B.V.

Other auxiliary positions:

- Non-executive chairman of GWK Travelex N.V.
- Member of the Board of Governors of the postgraduate study ‘Corporate Compliance & Integrity’, VU University Amsterdam
- Chairman of the board of supervision and chairman audit committee of the Dutch Burns Foundation (*Nederlandse Brandwonden Stichting*)
- Chairman of the Supervisory Council Euro Tissue Bank
- Member of the Advisory Council Dutch Institute of Internal Auditors (IIA)
- Member of the Arbitration committee Dutch Securities Institute (DSI)
- Jurymember Henri Sijthoff Award

Former position

Member of the executive board of Rodamco Europe N.V. from 2005 - 2008

Former auxiliary positions

- Member of the supervisory board of Fortis Bank Nederland N.V./ABN AMRO Bank from 2009 – 2010
- Chairman of the supervisory board and chairman of the audit committee of Fortis Bank Nederland N.V. from 2008 – 2009
- Chairman of the supervisory board of Welke Beheer B.V. from 2007 – 2011
- Chairman of the supervisory board of PCM Uitgevers from 2006 – 2008
- Chairman of the supervisory board of Exact Software N.V. from 2005 – 2009
- Chairman of the supervisory board of Ineos Nova (Nederland) N.V. from 2004 – 2009
- Member of the supervisory board and chairman of the audit committee of Mizuho Corporate Bank (Nederland) N.V. from 2002 – 2010
- Chairman of the supervisory board of Fornix Bio Sciences N.V. from 2002 – 2011

Date of first appointment to the Supervisory Board

June 2010

Current term of appointment to the Supervisory Board

June 2012 – June 2016

Mr R. Teerlink (Ron)

Date of birth

28 January 1961

Profession

Management consultant

Main position

Independent management consultant

Nationality

Dutch

Auxiliary positions

Member of the Supervisory Board

<i>Former position</i>	Chief Administrative Officer at The Royal Bank of Scotland Group Plc from 2008 – 2013
<i>Former auxiliary positions</i>	<ul style="list-style-type: none"> – Member of the supervisory board and chairman of the audit committee of Equens SE from 2004 – 2010 – Member of the supervisory board of Kasbank N.V. from 2010 – 2013
<i>Date of first appointment to the Supervisory Board</i>	September 2013
<i>Current term of appointment to the Supervisory Board</i>	September 2013 – June 2017
Mr C.P. Veerman (Cees)	
<i>Date of birth</i>	8 March 1949
<i>Profession</i>	Professor Professional director/supervisory director
<i>Main positions</i>	Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective Crop farmer
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> – Member of the Supervisory Board – Chairman of the supervisory board of USG People N.V. – Chairman of the supervisory board of Koninklijke Reesink N.V. – Member of the supervisory Board of Barenbrug Holding B.V. – Chairman of the supervisory board of Ikazia Hospital Rotterdam – Member of the supervisory board of KDS – Chairman of the board of supervision Deltares – Chairman of the supervisory board of the Novamedia – Chairman of the board of supervision of the Foundation VU University Medical Centre Amsterdam – Chairman of the board of supervision of the Foundation Naturalis Biodiversity Center – Chairman of the Board of Supervision of Fagoed <p>Other auxiliary positions:</p> <ul style="list-style-type: none"> – Member of the governing board of the Netherlands Organisation for Scientific Research (NWO) – Member of the advisory board of Prominent – Chairman of the Project council North/South Line – Chairman of the board of directors of the Society for Watercompanies in the Netherlands (VEWIN) – CEO of Bracamonte B.V. from 2007 – 2013
<i>Former position</i>	
<i>Date of first appointment to the Supervisory Board</i>	June 2007
<i>Current term of appointment to the Supervisory Board</i>	June 2011 – June 2015

Potential conflicts of interest and other information

Rabobank Nederland is not aware of any potential conflicts of interest between the private interests or other duties of the members of the Supervisory Board and their duties to Rabobank Nederland. There is no family relationship between any member of the Executive Board or the Supervisory Board.

During the last five years, none of the members of the Supervisory Board (i) has been convicted of fraudulent offences, (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Rabobank Nederland is not aware of any arrangement or understanding with major holders of certificates, customers or others pursuant to which any member of the Supervisory Board was selected as such.

Supervisory Board committees

The Supervisory Board has six committees: the Audit Committee, the Risk Committee, the Appointments Committee, the Appeals Committee, the Cooperative Issues Committee, and the Remuneration Committee. These committees perform preparatory and advisory work for the Supervisory Board.

In accordance with the Rabobank Nederland Articles and the Supervisory Board Rules, the Supervisory Board, after consultation with the Executive Board, has drawn up rules of procedure for each committee. The rules of procedure specify each committee's duties, membership and the manner in which it performs its duties. The committees consist of members of the Supervisory Board. The rules of procedure for and the membership of the committees can be downloaded from Rabobank Nederland's website under Corporate Governance.

The Audit Committee

The duties of the Audit Committee include the supervision and monitoring as well as the advising of the Executive Board regarding the operation of Rabobank Nederland's internal audit systems. The Audit Committee meets at least four times a year. Its duties and the committee's other duties are laid down in the rules of procedure for the Audit Committee.

The Audit Committee advises the Supervisory Board on the exercise of certain of its duties and prepares decisions of the Supervisory Board in this regard. The Audit Committee also supervises the financial information to be disclosed by Rabobank Nederland, the compliance with recommendations of internal and external accountants, Rabobank Nederland's policy on tax planning, Rabobank Nederland's financing arrangements, Rabobank Nederland's information and communications technology. It furthermore maintains regular contact with and supervises the external accountant and it periodically nominates an external accountant for appointment by the General Meeting. The Audit Committee also issues preliminary advice to the Supervisory Board regarding the approval of the annual accounts and the sets of interim financial information. The Audit Committee shall comprise of at least four members, one of which is the chairman of the Supervisory Board. The chairman of the Audit Committee shall also be a member of the Risk Committee.

The Audit Committee is currently composed of: S.L.J. Graafsma, (chairman), L.N. Degle, W. Dekker, C.H. van Dalen, E.A.J. van de Merwe and A.J.A.M. Vermeer.

The Risk Committee

The duties of the Risk Committee include the supervision and monitoring as well as the advising of the Executive Board regarding the operation of Rabobank Nederland's internal risk management systems. The Risk Committee meets at least four times a year. Its duties and the committee's other duties are laid down in the rules of procedure for the Risk Committee.

The Risk Committee advises the Supervisory Board on the exercise of certain of its duties and prepares decisions of the Supervisory Board in this regard. The Risk Committee will, among others, periodically discuss the material risks for Rabobank Nederland and the methods of risk appraisal with the Supervisory Board. The Risk Committee shall comprise of at least four members, one of which is the chairman of the Supervisory Board. The chairman of the Risk Committee shall also be a member of the Audit Committee.

The Risk Committee is currently composed of: E.A.J. van de Merwe (chairman), L.N. Degle (vice-chairman), W. Dekker, S.L.J. Graafsma, R. Teerlink and C.P. Veerman.

The Appointments Committee

The Appointments Committee advises the Supervisory Board on its duties regarding, among others, the selection and appointment of members of the Executive Board and members of the Supervisory Board and making preparations for the decision-making process concerning these subjects. The duties of the Appointments Committee include the drafting of proposals for selection criteria and appointment procedures for members of the

Executive Board and members of the Supervisory Board, and the proposing of a profile for the Supervisory Board. It also periodically assesses the size and composition of the Executive Board and the Supervisory Board, and the functioning of their individual members. The Appointments Committee also proposes on appointments and reappointments. It supervises the Executive Boards' policy on criteria and appointment procedures for senior management. The Appointments Committee meets at least three times every year.

The Appointments Committee shall comprise of at least three members, one of which is the chairman of the Supervisory Board. The Appointments Committee is currently composed of: W. Dekker (chairman), C.H. van Dalen (vice-chairman), I.P. Asscher-Vonk, L.O. Fresco and A.J.A.M. Vermeer.

The Appeals Committee

The Appeals Committee advises the Supervisory Board on its tasks regarding the preparatory work in the context of the Supervisory Board as (i) a body of appeal or (ii) a binding advisor in cases as laid down in the Supervisory Board Rules, or as an independently acting binding advisor, all as described in the rules of procedure for the Appeals Committee.

The Appeals Committee shall comprise of at least three members. All members of the Appeals Committee must be members of the Supervisory Board. The Appeals Committee is currently composed of: I.P. Asscher-Vonk (chairwoman), S.L.J. Graafsma and A.J.A.M. Vermeer.

The Cooperative Issues Committee

The Cooperative Issues Committee is charged with, among others, the following tasks: (i) the evaluation of the reports of the Executive Board with regard to Rabobank Nederland organisation and activities of the Local Rabobanks and of Rabobank Nederland; (ii) providing the Executive Board with solicited or unsolicited advice on matters concerning the cooperative; (iii) the evaluation of the reports of the Executive Board with regard to the corporate social responsibility ("CSR") policy within the Group; furthermore assessment of CSR-ambitions, -visions and -strategy in the light of the CSR-goals as set by the departments, all as described in the rules of procedure for the Cooperative Issues Committee. The Cooperative Issues Committee meets at least twice every year.

The Cooperative Issues Committee shall comprise of at least three permanent members, one of which is the chairman of the Supervisory Board. The composition of the Cooperative Issues Committee shall be such as is necessary for the effective performance of the Cooperative Issues Committee. The Cooperative Issues Committee is currently composed of: A.J.A.M. Vermeer (chairman), C.P. Veerman (vice-chairman), I. P. Asscher-Vonk, W. Dekker, L.O. Fresco and R. Teerlink.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board on the exercise of its duties regarding the remuneration of the members of the Executive Board, and prepares decisions of the Supervisory Board on this subject. The duties of the Remuneration Committee include the preparation of proposals of the Supervisory Board on the remuneration policy for the members of the Executive Board to be adopted by the General Meeting, and on the remuneration of the individual members of the Executive Board to be determined by the Supervisory Board. The Remuneration Committee also prepares a remuneration report on the execution of the remuneration policy for the Executive Board during the respective year to be adopted by the Supervisory Board. The Remuneration Committee meets at least three times every year.

The Remuneration Committee shall comprise of at least three members, one of which is the chairman of the Supervisory Board. The Remuneration Committee is currently composed of: I.P. Asscher-Vonk (chairwoman), C.H. van Dalen (vice-chairman), W. Dekker, L.O. Fresco and A.J.A.M. Vermeer.

Maximum Number of Positions of Members of the Supervisory Board

According to the Supervisory Board Rules and without prejudice to the provisions in the Rabobank Nederland Articles, persons who hold other positions of a number such that in their case, depending on the nature and scope of those positions, it is reasonable to expect that the adequate performance of the duties of a member of the Supervisory Board is not assured will not be proposed to the General Meeting for appointment (or reappointment) as a member of the Supervisory Board. The number of supervisory boards of listed companies of which an individual is a member is limited to such an extent that the proper performance of the duties is assured: the maximum number is five, for which purpose the chairmanship of a supervisory board counts double. The chairman of the Supervisory Board shall always be notified, in good time, of other positions members of the Supervisory Board wish to accept prior to their acceptance. Written permission from the Supervisory Board for the acceptance of the relevant other position is required in the event that the chairman of the Supervisory Board is of the opinion that a conflict of interests or a semblance of a conflict of interests could be an issue. The other position shall not be accepted should the Supervisory Board establish that a conflict of interests or a semblance of a conflict of interests is an issue. The Supervisory Board may attach conditions to the acceptance of any other position to avoid a conflict of interests or a semblance of a conflict of interests. Notifications of other positions

and the requisite decision-making are included in the minutes. When the chairman is the member of the Supervisory Board considering any other position then the chairman's role shall be fulfilled by the deputy chairman or, in the absence of the deputy chairman, the longest-serving member of the Supervisory Board.

Remuneration

General

The Group pursues a prudent, restrained and sustainable remuneration policy. The Supervisory Board approves the remuneration policy for senior management and supervises its execution by the Executive Board. In the context of risk management and in order to put into practice the principle of 'pay for performance, not for failure', employees are not automatically awarded variable pay. New recruits can be awarded a welcome bonus, for their first year only, to compensate for lost bonuses, deferred or otherwise, from their former employer. Any welcome bonus is subject to the full risk alignment cycle. Severance pay is to reflect the performance of employees, rather than rewarding them for failure. Material exceptions to the Group's remuneration policy are subject to the prior consent of the Executive Board and the Supervisory Board. The Supervisory Board discusses the highest earners every year via a group remuneration report.

Remuneration for the Executive Board

The Supervisory Board establishes the remuneration of the individual members of the Executive Board and reports on this to the committee on confidential matters of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly.

The Group's cooperative identity and structure are embedded in its remuneration policy for the members of the Executive Board. As part of the remuneration policy for the Executive Board formulated by the Central Delegates Assembly, which is in keeping with the 'Vision of Remuneration' and the 'Group Remuneration Policy', the Supervisory Board determined the performance-related pay for each member of the Executive Board on the basis of their performance appraisal in 2011. After having been reviewed by the Supervisory Board, the full remuneration report 2011 was discussed with the Confidential Committee of the Central Delegates Assembly, which shared its comments on the report with the Central Delegates Assembly representing the members of Rabobank Nederland. The total pay of each member of the Executive Board is in line with the standards formulated in the Dutch Corporate Governance Code (the "Code"), the Dutch Banking Code (as defined below), the 'Principles for Restrained Remuneration Policy and the Regulations on Restrained Remuneration Policy' issued by DNB and the AFM.

The remuneration of the members of the Executive Board is benchmarked every year. The Executive Board members' variable pay has been abolished by the Supervisory Board in 2013, after earlier announcements by Rabobank Nederland that no variable remuneration would be awarded to the Executive Board in 2012 and 2013.

In 2012, the remuneration of the members and former members of the Executive Board of Rabobank Nederland amounted to €11.5 (2011: €10.3) million in total. This amount can be broken down as follows:

Total amount of Executive Board Remuneration in millions of euros	2012¹⁾	2011
Fixed salaries	6.9	7.0
Pension	1.6	1.6
Performance related payments awarded	0.2	1.7
Surrender of remuneration component	(2.8)	(-)

1) The amounts listed in the table are exclusive of the one-off tax of 16% that is imposed on wages from current employment in excess of €150,000; this tax liability was €1.4 million.

Remuneration for the Supervisory Board

Among other duties, the Confidentiality Committee of the Central Delegates Assembly determines the remuneration of the members of the Supervisory Board, which is not dependent on Rabobank Nederland's results. In 2012, the remuneration of the members and former members of the Supervisory Board amounted to €1.5 million (2011: €1.5 million) in total.

Employment Agreements and Severance Agreements

Executive Board employment contracts are governed by Dutch employment law and are generally aligned with the Code and Banking Code. Executive Board members are generally appointed for a term of four years, however, their term of employment is for an indefinite period of time. Based on their employment contracts and subject to applicable law, members of the Executive Board appointed for a four year term may be entitled to a severance pay limited to one annual actual base salary. The full terms and conditions of employment of the members of the Executive Board are recorded in individual terms of employment. The members of the

Supervisory Board do not have an employment agreement, service contract or severance agreement with Rabobank Nederland.

Liability of Members of the Executive Board and the Supervisory Board

Under Dutch law, members of the Executive Board, Supervisory Board and certain other officers may be held liable for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages of Rabobank Nederland and of third parties for infringement of the Rabobank Nederland Articles or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Executive Board, Supervisory Board and certain other officers are insured under an insurance policy taken out by Rabobank Nederland against damages resulting from their conduct when acting in their capacities as members of the Executive Board, Supervisory Board or officers. There shall, however, be no entitlement to reimbursement if and to the extent that: it has been established by a Dutch court in a final and conclusive judgment that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would be unacceptable in view of the standards of reasonableness and fairness (*redelijkheid en billijkheid*) when taking into account the relevant circumstances, and that the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

Employees

The table below provides an overview of the employees the Group employed as of 31 December 2012 subdivided in its sectors and per region. These numbers are measured in individual employees.

Employee numbers 2012	The Netherlands	Other Countries	Total 2012	Total 2011	Change 2012 vs. 2011
Domestic retail banking					
Local Rabobanks	31,175	-	31,175	30,680	495
Bizner Bank	-	-	-	1	(1)
Obvion	285	-	285	292	(7)
Friesland Bank	769	-	769	-	769
	<u>32,229</u>	<u>-</u>	<u>32,229</u>	<u>30,973</u>	<u>1,256</u>
Wholesale and international retail banking					
Rabobank International	2,266	13,718	15,984	15,927	57
Asset management					
Robeco	925	524	1,449	1,480	(31)
Sarasin	-	-	-	1,807	(1,807)
	<u>925</u>	<u>524</u>	<u>1,449</u>	<u>3,287</u>	<u>(1,838)</u>
Leasing					
De Lage Landen	1,435	4,042	5,477	5,259	218
Real estate					
Rabo Vastgoedgroep	1,079	555	1,634	1,715	(81)
Other					
Support staff units Rabobank Nederland	7,172	-	7,172	7,014	158
Rabo Development	30	-	30	27	3
Other Rabobank Nederland	158	3	161	129	32
	<u>7,360</u>	<u>3</u>	<u>7,363</u>	<u>7,170</u>	<u>193</u>
Total	45,294	18,842	64,136	64,331	(195)

The table below provides an overview of the employees the Group employed as of 31 December 2012 subdivided in its sectors and per region. These numbers are measured in FTEs.

FTEs numbers 2012	The Netherlands	Other Countries	Total 2012	Total 2011	Change 2012 vs. 2011
Domestic retail banking					
Local Rabobanks	27,708	-	27,708	27,000	708
Bizner Bank	-	-	-	1	(1)
Obvion	265	-	265	270	(5)
Friesland Bank	695	-	695	-	695
	<u>28,668</u>	<u>-</u>	<u>28,668</u>	<u>28,668</u>	<u>1,396</u>
Wholesale and international retail banking					
Rabobank International	2,354	13,450	15,805	15,747	58
Asset management					
Robeco	872	515	1,387	1,414	(27)
Sarasin	-	-	-	1,715	(1,715)
	<u>872</u>	<u>515</u>	<u>1,387</u>	<u>3,129</u>	<u>(1,742)</u>
Leasing					
De Lage Landen	1,387	3,730	5,117	4,964	153
Real estate					
Rabo Vastgoedgroep	998	530	1,528	1,608	(80)
Other					
Support staff units Rabobank Nederland	6,968	-	6,968	6,808	160
Rabo Development	30	-	30	27	3
Other Rabobank Nederland	124	1	125	116	9
	<u>7,122</u>	<u>1</u>	<u>7,123</u>	<u>6,951</u>	<u>172</u>
Total	41,402	18,226	59,628	59,670	(42)

The table below provides an overview of the employee base of the Group for the years 2009 up to and including 2012.

Four-year summary of the Group's employee base 2009-2012

Year	Employee base as of 31 December	Increase/decrease on previous years, in numbers	Increase/decrease on previous years, as a percentage
2009	64,495	(1,641)	(2.5)
2010	63,498	(997)	(1.5)
2011	64,331	833	1.3
2012	64,136	(195)	(0.3)

Pension Schemes

The Group has various pension schemes in place based on the local conditions and practices of the countries in which it operates. In general, the plans are financed by payments to insurance companies or trustee administered funds. The payments are calculated actuarially at regular intervals. A defined benefit plan is one that incorporates a promise to pay an amount of pension benefit, which is usually based on several factors such as age, number of years in service and remuneration.

The defined benefit liability is the present value of the defined benefit obligation at the reporting date, reduced by the fair value of the plan assets. The defined benefit obligation is calculated by independent actuaries each year using the projected unit credit method. The present value of the defined benefit obligation is calculated by discounting the estimated future cash outflows at rates of interest on prime corporate bonds with terms

approximating those of the related obligations. Most of the pension schemes are career average pension schemes and the net costs after deduction of employees' contributions and interest are included under 'Staff costs'. The net interest expense or income is calculated by applying the discount rate at the beginning of the year to the defined benefit asset or liability. Actuarial gains or losses from adjustments to actual developments or modified actuarial assumptions are recognised in the consolidated statement of comprehensive income.

Under defined contribution plans, the Group pays contributions to publicly or privately managed insured pension schemes on a compulsory, contractual or voluntary basis. Once the contributions have been made, the Group has no further payment obligations. The regular contributions are net period costs for the year in which they are due.

In May 2013, the Group reached agreement with the trade associations on an amendment to the collective labour agreement (*collectieve arbeidsovereenkomst*). The agreements included a new pension scheme for the scheme placed with the Rabobank Pension Fund. The new scheme commenced with retrospective effect as of 1 January 2013. The new pension scheme is a collective defined contribution plan with a pensionable age of 67 years and a target accrual percentage of 2. The Group pays an annual pension contribution established by means of a permanent system to the Rabobank Pension Fund, which will strive to realise the target pension accrual for the service provided in the year in question according to a conditional career average pension scheme. With this payment of the annual pension contribution, the Group will have met all its obligations with respect to pension finally and in full. The Group therefore will have no further financial obligation with regard to past service years and already accrued pensions. In recognition of the transfer of risks this entails, The Group will make a one-off payment of €500 million for the formation of a reserve for indexation. In addition, for the period from 2014 to 2020, the Group will guarantee realisation of the target pension accrual for service provided in this period in an amount of up to €250 million.

The new pension scheme qualifies as a defined contribution plan under IAS 19. The Group's liability is limited to the contribution payments due after deduction of payments already made. Actuarial assumptions will no longer be involved in the determination of the obligation. In the first six-month reporting period of 2013, a revaluation of the net pension obligation of the Rabobank Pension Fund of €667 million negative is directly recognised in equity until the date of settlement of the defined benefit pension scheme. The revaluation of the obligation is recognised in profit or loss on the settlement of the defined benefit plan as part of the result on termination of the defined benefit plan. At the start date of the new pension scheme, the total cumulative actuarial results of the old defined benefit plan, which are recognised in equity, were €2,320 million negative. The pension obligation amounted to €1,100 million. This is released in profit or loss on termination of the defined benefit plan, after deduction of tax in an amount of €275 million. The one-off payment of €500 million is also recognised in profit or loss as part of the result on termination of the defined benefit pension scheme (€375 million after taxation). The result on termination of the defined benefit pension scheme is recognised in the item 'Other income'. The regular pension costs for the scheme placed with the Rabobank Pension Fund came to a net €325 million (€244 million after taxation). The total income and expenses in the reporting period as recognised in the consolidated statement of comprehensive income arising from the pension scheme placed with Stichting Rabobank Pensioenfondsen came to €232 million.

Governance

The Code

The Code entered into force as of 1 January 2009. The Code contains a number of principles and best practice provisions in respect of managing boards, supervisory boards, shareholders and the general meeting of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. When applicable, a company is required to disclose in its annual report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why. The Code states that a company is also in compliance with the Code if its general meeting of shareholders has approved the corporate governance structure and the deviations from the Code's principles. Although the Code does not apply to Rabobank Nederland, the Group's corporate governance is broadly consistent with the Code. The Group also observes the Banking Code.

Compliance with the Code

As of the date of this Prospectus, Rabobank Nederland complies with the Code with the exception of the following provisions:

Best practice provision II.2.14

"The main elements of the contract of a management board member with the company shall be made public after it has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed. These elements shall in any event include the amount of the fixed salary, the structure and amount of the variable remuneration component, any agreed redundancy scheme and/or severance pay, any conditions of a change-of-control clause in the contract with

a management board member and any other remuneration components promised to the management board member, pension arrangements and performance criteria to be applied.”

The remuneration details for individual members of the Executive Board are provided to the Committee on Confidential Matters of the Central Delegates Assembly for its information. Accordingly, this representative body of the members of Rabobank Nederland is given full insight into the remuneration details for individual members of the Executive Board. Each year, the Committee on Confidential Matters reports to the Central Delegates Assembly to what extent each Executive Board member’s individual remuneration is in line with the remuneration policy adopted by the Central Delegates Assembly.

Best practice provision III.1.3

“The following information about each supervisory board member shall be included in the report of the supervisory board: a) gender; b) age; c) profession; d) principal position; e) nationality; f) other positions, in so far as they are relevant to the performance of the duties of the supervisory board member; g) date of initial appointment; and h) current term of office.”

The details of Supervisory Board members referred to in this best practice provision are posted on the Group’s website.

Best practice provisions III.2.1, III.2.2, and III.2.3

III.2.1: “All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.”

III.2.2: “A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. These criteria are that the supervisory board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law: a) has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the FMSA in the five years prior to the appointment; (b) receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business; (c) has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary and lawyer) and the case where the supervisory board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship; (d) is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member; (e) holds at least ten per cent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement); (f) is a member of the management board or supervisory board - or is a representative in some other way - of a legal entity which holds at least ten per cent of the shares in the company, unless such entity is a member of the same group as the company; and (g) has temporarily managed the company during the previous twelve months where management board members have been absent or unable to discharge their duties.”

III.2.3: “The report of the supervisory board shall state that, in the board’s view, best practice provision III.2.1 has been fulfilled, and shall also state which supervisory board member is not considered to be independent, if any.”

These best practice provisions are applied subject to a transitional arrangement. The provisions are observed for members first appointed to the Supervisory Board on or after 16 June 2005.”

Best practice provisions III.6.1 and III.6.2

III.6.1: “A supervisory board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, to the chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, he shall report this immediately to the vice-chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. The supervisory board member concerned may not take part in the assessment by the supervisory board of whether a conflict of interest exists. A conflict of interest exists in any event if the company intends to enter into a transaction with a legal entity: i) in which a supervisory board member personally has a material financial interest; ii) which has a management board member who is related under family law to a member of the supervisory board of the company; or iii) in which a member of the supervisory board of the company has a management or supervisory position.”

III.6.2: “A supervisory board member may not take part in a discussion and/or decision- making on a subject or transaction in relation to which he has a conflict of interest with the company.”

These best practice provisions are applied on the understanding that situations in which Supervisory Board members, because of strategic alliances, are also members of the Supervisory Board of another company will not fall within the scope of the regulation on conflicts of interest.

Best practise provision III.7

“The general meeting shall determine the remuneration of supervisory board members. The remuneration of a supervisory board member is not dependent on the results of the company.”

The remuneration of the members of the Supervisory Board is set by the Committee on Confidential Matters of the Central Delegates Assembly, which acts as representative of the members of Rabobank Nederland. This committee is better suited than the General Meeting for effectively discussing and assessing remuneration, due to the frequency of this meeting and the number of participants.

Principle IV.1

“Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting. It is in the interest of the company that as many shareholders as possible take part in the decision-making in the general meeting. The company shall, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders. The general meeting should be able to exert such influence on the policy of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company. Management board resolutions on a major change in the identity or character of the company or the enterprise shall be subject to the approval of the general meeting.”

The members of Rabobank Nederland are not given the opportunity to vote by proxy. This is not deemed necessary, given the virtually full attendance at both the Central Delegates Assembly and the General Meeting.

Best practise provision IV.1.4

“The policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the general meeting.”

Rabobank Nederland presents its policy on additions to reserves and on dividends to the Central Delegates Assembly, since this body is better suited than the General Meeting for effectively discussing the details of the policy, due to the frequency of this Meeting and the number of participants. The General Meeting does have the exclusive right to adopt the dividend as proposed by the Executive Board. The Central Delegates Assembly has the right to issue its advice in respect of the adoption of the dividend.

Banking Code

On 9 September 2009, the Banking Code for Dutch banks was adopted as binding by the Board of the Netherlands Bankers' Association, in response to the report entitled ‘Restoring Trust’ (*‘Naar herstel van vertrouwen’*) of the Advisory Committee on the Future of Banks in the Netherlands (the “**Banking Code**”). Although the Banking Code did not come into force until 1 January 2010, Rabobank commenced compliance preparations in 2009. As of the date of this Prospectus, Rabobank Nederland fully observes the Banking Code, except that under the Banking Code severance payments to members of the Executive Board should not exceed one annual actual base salary whereas in the event of the removal of members of the Executive Board appointed prior to 1 January 2010, a competent court may decide to grant an amount of severance pay that could be higher than prescribed by the Banking Code in accordance with the provisions in the DCC.

REGULATION OF THE GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the FMSA, which entered into force on 1 January 2007 and under which Rabobank Nederland is supervised by DNB and the AFM. Rabobank Nederland and the various Group entities are also subject to certain EU legislation, which has a significant impact on the regulation of the Group's banking, asset management and broker-dealer businesses in the EU, and the regulation and supervision of local supervisory authorities of the various countries in which the Group does business.

Basel Standards

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

In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the "**Basel Guidelines**"), which were implemented by banking regulators in the countries that have endorsed them. The Basel Guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel Guidelines are also intended to reduce competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction had, however, some discretion in determining whether to include particular instruments as capital under the Basel Guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel Guidelines were adopted by the European Community and applied to all banks and investment firms in the EU, and on 1 January 1991, were implemented in the Netherlands.

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

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

Instead of the previous 'one size fits all' approach, under Basel II banks have the option to choose between various approaches, each with a different level of sophistication in risk management, ranging from simple via intermediate to advanced, giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

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

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

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

Under "**Basel III**", capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial

strengthening of existing capital requirements. On 16 December 2010 and 13 January 2013 the Basel Committee issued its final view on Basel III though it has subsequently suggested several amendments and refinements to Basel III, particularly in respect of its liquidity requirements, capital requirements for exposures to central counterparties, and other areas. The Basel Committee has indicated that it continues to consider potential revisions to the Basel III regime.

The framework sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee's package of reforms includes increasing the minimum common equity (or equivalent) requirement from 2% (before the application of regulatory adjustments) to 4.5% (after the application of stricter regulatory adjustments which will be gradually phased in from 1 January 2014 until 1 January 2018). The total tier 1 capital requirement will increase from 4% to 6%. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity (or equivalent) requirements to 7%. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical buffer of up to 2.5% of common equity (or other fully loss absorbing capital) may be applied as an extension of the conservation buffer. Furthermore, banks considered to have systemic importance should have loss absorbing capacity beyond these standards. The capital requirements are to be supplemented by a leverage ratio, and a liquidity coverage ratio and a net stable funding ratio will also be introduced (discussed below).

The Basel Committee's reforms have introduced a non-risk leverage ratio of 3% in order to limit an excessive build-up of leverage on a bank's balance sheets and thus help to contain the cyclicity of lending. During the period 1 January 2013 to 1 January 2017 the Basel Committee will monitor 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% is appropriate over a full credit cycle and for different types of business models. This assessment will include consideration of whether a wider definition of exposures and an offsetting adjustment in the calibration would better achieve the objectives of the leverage ratio. The Basel Committee will also closely monitor accounting standards and practices to address any differences in national accounting frameworks that are material to the definition and calculation of the leverage ratio. The Basel Committee's reforms have also 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 ("**LCR**"; to be gradually phased in from 1 January 2015), which is a 'test' to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. In January 2013, the Basel Committee announced revisions to the LCR that may make compliance less costly for banks. The second one is referred to as a net stable funding ratio ("**NSFR**"; to be introduced on 1 January 2018), which is a 'test' to promote resilience over a longer period by requiring banks to hold a minimum amount of stable sources of funding relative to the liquidity profiles of the assets and the potential contingent liquidity needs arising from off-balance sheet commitments.

There can be no assurance that the Basel Committee will not further amend the package of reforms described above. Further, the European Commission, DNB or the Dutch legislator may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

The Basel III reform package will be implemented in the EEA through CRD IV and CRR.

European Union Standards

The European Union had adopted a capital adequacy regulation for banks (referred to as a credit institution) in all its member states based on the Basel I guidelines. In 1989, the European Commission adopted the Council Directive 89/299/EEC of 17 April 1989 on the own funds of credit institutions (the "**Own Funds Directive**"), defining qualifying capital ('own funds'), and the Council Directive 89/647/EEC of 18 December 1989 on a solvency ratio for credit institutions (the "**Solvency Ratio Directive**" and, together with the Own Funds Directive, the "**Capital Directives**"), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required EU member states to transform the provisions of the Solvency Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The Capital Directives permitted EU member states, when transforming the Capital Directives into national law, to establish more stringent, but not more lenient requirements. In 1993, the European Commission adopted the Directive 1993/6/EEC of 15 March 1993 on the capital adequacy of investment firms and credit institutions ("**EEC Directive 1993/6**") and in 2000 the Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions ("**EC Directive 2000/12**"), which directive consolidated various previous directives, including the Capital Directives.

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

The Capital Requirements Directive was amended three times in 2009 and once in 2010 to repair shortcomings identified in the original Capital Requirements Directive. The amendments entered into force as of 31 December 2010 and certain further amendments as of 31 December 2011.

As of 1 January 2014, the Capital Requirements Directive will be repealed by CRD IV. CRD IV together with CRR will implement the Basel III reforms (see “Risk Factors – If the Group has insufficient capital resources to meet the minimum regulatory capital, liquidity restrictions or liquidity ratios, this could result in administrative actions or sanctions, which may have a material adverse effect on the Group’s business, financial condition and results of operations”). CRD IV will be implemented in the FMSA to the extent required. To this end, a draft implementation bill was published by the Ministry of Finance for consultation. The draft implementation bill was finalised by the Dutch Council of Ministers and was sent to Council of State for advice. It is expected that the implementation bill will not enter into force before July 2014. DNB has published a draft regulation on specific provisions set out in CRD IV and CRR (*Regeling specifieke bepalingen CRD IV en CRR*) (“**Dutch CRD IV and CRR Regulation**”) for consultation. The Dutch CRD IV and CRR Regulation implements: (i) a number provisions set out in CRR including the required CET1 ratio of 4.5% and tier 1 ratio of 6%, (ii) the capital conservation measures set out in CRD IV (restriction on distributions if a bank does not meet the combined buffer requirement) and (iii) withdraws the following DNB regulations (a) *Regeling solvabiliteitseisen kredietrisico en grote posities Wft 2010*, (b) *Regeling solvabiliteitseisen marktrisico Wft 2011*, (c) *Regeling solvabiliteitseisen operationeel risico Wft 2010*, (d) *Regeling hybride instrumenten banken en andere financiële ondernemingen (exclusief verzekeraars) Wft 2010*, (e) *Regeling securitisaties Wft 2010*, and (f) *Regeling uitsluiting solvabiliteitsaftrek immateriële activa*. The Dutch CRD IV and CRR Regulation is expected to enter into force on 1 January 2014.

CRR establishes a single set of harmonised prudential rules which will apply directly to all banks in the EEA as of 1 January 2014 with particular requirements being phased in over a period of time, to be fully applicable by 2021. The harmonised prudential rules include own fund requirements, an obligation to maintain a liquidity coverage buffer (similar to the LCR, however CRR obligation does not include a requirement to meet a ratio), a requirement to ensure that long term obligations are adequately met under both normal and stressed conditions and the requirement to report on these obligations. The competent supervisory authorities will evaluate whether common equity tier 1 instruments meet the criteria set out in CRR. CRR also includes the obligation to report on the bank’s leverage ratio (this requirement is similar to the leverage ratio requirement set out in Basel III, however, CRR does not include a requirement to meet a minimum ratio).

On 16 December 2002, the Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council was adopted. This directive aims to address the supervisory issues that arise from the blurring of distinctions between the activities of firms in each of the banking, securities, investment services and insurance sectors.

The main objectives of this directive are to:

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

The directive was implemented in the Netherlands in the FMSA. The directive was amended by Directive 2011/89/EU as regards the supplementary supervision of financial entities in a financial conglomerate. The bill implementing Directive 2011/89/EC and amending the FMSA accordingly was published in the Dutch Bulletin of Acts and Decrees but has not yet entered into force.

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board (ESRB) and the following three European Authorities: European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and

Markets Authorities (ESMA). These institutions have been in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

A proposal for a Bank Recovery and Resolution Directive was proposed by the European Commission on 6 June 2012. The European Parliament, European Council and the European Commission reached an agreement on the Bank Recovery and Resolution Directive on 12 December 2013. This political agreement is still subject to technical finalisation and formal approval by the European Parliament and the European Council. The agreed version of the Bank Recovery and Resolution Directive includes a bail-in tool that would enable the cancellation of capital instruments, such as the Rabobank Certificates, which Rabobank Nederland believes qualify as common equity tier 1 as set out in CRR (see “Risk Factors – Current and future Dutch, European or any other applicable legislation may result in the Rabobank Certificates being cancelled or expropriated without any compensation for the holders of Rabobank Certificates”).

As part of the EU regulatory reforms and the aim to establish a Banking Union, the European Council proposed two legislative proposals, (i) a regulation for the setting up of a single supervisory mechanism 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 European Central Bank (“**ECB**”) and (ii) the amendment of the regulation setting up the EBA. Regulation 1024/2013 for the setting up of the single supervisory mechanism (“**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 will carry out its tasks within a single supervisory mechanism composed of the ECB and national competent authorities. 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 its tasks conferred on it by the SSM, national competent authorities shall be responsible for assisting the ECB. In view of the assumption of its supervisory tasks, the ECB will carry out a comprehensive assessment, including a balance-sheet assessment as well as the related upcoming Asset Quality Review (AQR) and stress tests, of at least the banks in respect of which it will take on the formal supervision. The ECB will assume its supervisory tasks once this comprehensive assessment is fulfilled, which is expected to be by the end of 2014. Once the ECB has assumed its supervisory tasks, it will formally be the competent authority responsible for supervising the Group’s compliance with the prudential requirements including (i) the own funds requirements, LCR, NSFR, the leverage ratio and the reporting and public disclosure of information on these matters, as set out in 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 the bank, remuneration policies and practices and effective internal capital adequacy assessment processes as set out in the FMSA. The ECB will also be the competent authority to assess notifications of the acquisition of qualifying holdings in banks and to grant a declaration of no objection for such holdings.

To complement the Banking Union and the SSM, the European Commission proposed a resolution establishing 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 (“**SRM**”) on 10 July 2013. On 28 November 2013 the European Council proposed a compromise proposal. The SRM proposes to establish a single resolution authority (consisting of representatives from the ECB, the European Commission and the relevant national authorities) that will manage the failing of any bank in the Euro area and in other EU member states participating in the Banking Union. On the basis of the current proposal for the SRM the single resolution authority is granted the same resolution tools as set out in the Bank Recovery and Resolution Directive, including a bail-in tool. The SRM will apply directly to banks covered by the SSM.

Dutch Regulation

Scope of the FMSA

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

Pursuant to authority granted under the FMSA, DNB supervises and regulates the majority of the Group’s activities, which include supervision of the prudential requirements applicable to banks. However, once the ECB has assumed its supervisory tasks, the ECB will formally be the competent authority that supervises the majority of the Group’s activities. 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 from DNB before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a supervisory board; and (iii) the bank must have a minimum level of own funds (*eigen vermogen*) of €5,000,000. In addition, DNB shall pursuant to the FMSA refuse to grant

a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank (fit and proper requirement), (ii) the policy of the bank must be (co-)determined by persons whose integrity is beyond doubt, and (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining the licence.

Once the ECB has assumed its supervisory tasks, it will formally be the supervisory authority to grant a banking licence.

Reporting and investigation

A bank is required to file its annual financial statements with DNB in a form approved by DNB, 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 DNB. DNB has the option to demand additional reports. Once the ECB has assumed its supervisory tasks, it will formally be the supervisory authority in respect of this requirement.

Rabobank Nederland and the Local Rabobanks must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with DNB. Rabobank Nederland's independent auditor audits these reports annually.

Under the FMSA, Rabobank Nederland is required to make its annual financial statements and its semi-annual financial statements generally available to the public within four months and two months, respectively, of the end of a period to which the financial information relates. The annual and semi-annual financial statements must be filed with the AFM simultaneously with their publication.

Solvency

Currently, the solvency requirements are mainly set out in regulations issued by DNB. These regulations require – in broad terms – that a bank maintains own funds in an amount equal to at least 8% of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the FMSA, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under “– Basel Standards” above and as laid down in EU directives described above under “– European Union Standards”. The regulations of DNB on solvency supervision will be repealed by the Dutch CRD IV and CRR Regulation.

Liquidity

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

Structure supervision

The FMSA provides that a bank must obtain a declaration of no-objection from DNB before, among other things, (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in Section 2:424 DCC, (ii) acquiring or increasing a qualified holding in a bank, investment firm or insurer with its statutory seat in a state which is not part of the 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% of the bank's consolidated balance sheet total, (iii) acquiring or increasing a qualified holding in an enterprise, not being a bank, investment firm or insurer with its statutory seat in the Netherlands or in a state which is part of the 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% of the consolidated own funds of the bank, (iv) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1% of the bank's consolidated balance sheet total, (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1% of the bank's consolidated balance sheet total or (vi) proceeding with a financial or corporate reorganisation. For the purposes of the FMSA, "qualified holding" is defined to mean the holding, directly or indirectly, of an interest of at least 10% of the subscribed capital or voting rights in an enterprise, or a similar form of control. As of 1 January 2014, the definition of "qualified holding" as set out in CRR will apply. "Qualified holding" in CRR is defined to mean a direct or indirect holding in an undertaking which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a Dutch bank, or to exercise any voting power in connection with such holding, only after such person has obtained a declaration of no objection from DNB (and formally the ECB after it has assumed its supervisory tasks).

Governance and administrative organisation

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

Intervention

On 13 June 2012, the Intervention Act entered into force and amended the FMSA and the Dutch Bankruptcy Act (*Faillissementswet*). Pursuant to the Intervention Act, DNB has the power to take various measures in respect of banks and insurance companies if it perceives a dangerous development regarding the entity's own funds, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. The possible measures available to DNB under the Intervention Act include filing a request for a bank or insurance company to be declared bankrupt, or preparing and effecting the transfer of deposits, other assets and liabilities and/or shares of the entity to a third party with a view to the timely and efficient liquidation of the entity. As the term 'shares' is defined as 'transferable securities', it is possible that DNB would view the Rabobank Certificates as shares within the meaning of the Intervention Act. DNB can prepare a 'transfer plan' for this purpose. If DNB decides to notify the relevant entity of its preparation of such a plan, then following such notification the entity must provide various information and access to DNB, the entity and its corporate bodies must cooperate in the preparation of the transfer plan and DNB can appoint a special receiver. The intervention will only be made public after approval of the transfer plan by the Amsterdam district court.

In addition, under the Intervention Act the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets or securities issued by or with the consent of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the entity finds itself. In taking these measures, provisions in relevant Dutch legislation and the entity's articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with 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 NYSE 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. Holders of Rabobank Certificates may be affected by any such measure taken by the Ministry of Finance to expropriate Rabobank Certificates and suspend or terminate their listing.

The exercise of acceleration, early termination and other rights (including the right to request collateral and the right to set-off or net), could impair the effectiveness of the supervisory measures introduced by the Intervention Act. Therefore, the Intervention Act provides that such rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Intervention Act, cannot be exercised without the prior approval of DNB. Exceptions are made in respect of rights resulting from the final directive and financial collateral arrangements. Furthermore, an obligation to give notice of an event or to provide information regarding an event is not enforceable. These provisions apply regardless of the governing law and extend to group companies of banks and insurance companies. See also "Risk Factors – Application of the Intervention Act may affect the rights and effective remedies of holders of the Rabobank Certificates as well as their market value" regarding the Dutch Intervention Act.

In addition to the above measures, if the SRM takes effect as currently proposed, the single resolution authority will have additional intervention powers including the power to operate the bail-in tool as set out in the SRM.

Emergencies

The FMSA contains an ‘emergency regulation’ which can be declared in respect of a bank by a Dutch court at the request of DNB if it finds prima facie evidence of a dangerous development regarding the bank’s own funds, solvency or liquidity and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

U.S. Regulation

Dodd-Frank Act

The Dodd-Frank Act provides a broad framework for significant regulatory changes, the full effect of which can only be assessed when final rules are implemented.

Regulation and Supervision in the U.S.

The Group’s operations are subject to federal and state banking and securities regulation and supervision in the U.S. The Group engages in U.S. banking activities through 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 Nederland is a bank holding company that has elected to be a financial holding company within the meaning of the U.S. Bank Holding Company Act of 1956. As such, it is subject to the regulation and supervision of the Federal Reserve. The New York Branch is licensed and supervised by the New York State Department of Financial Services, and it is also supervised by the Federal Reserve. Rabobank N.A. is a national bank subject to regulation, supervision and examination by the Office of the Comptroller of the Currency.

Under U.S. law, the Group’s activities and those of its subsidiaries in the U.S. are generally limited to the business of banking, and managing or controlling banks. So long as Rabobank is a financial holding company under U.S. law, it may also engage in nonbanking 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 nonfinancial 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% of any class of voting shares of U.S. banks, certain other depository institutions (including any non-U.S. bank with a branch, agency or commercial lending subsidiary in the U.S.), 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 may revoke any licence for a branch of a non-U.S. bank issued under the New York Banking Law if, among other things, the Superintendent finds that the licensed bank has violated any provision of any law, rule or regulation of the State of New York.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

The New York Branch is licensed by the Superintendent to conduct a commercial banking business. Under New York Banking Law, the New York Branch is subject to the asset pledge requirements and is required to maintain eligible high-quality assets with banks in the State of New York. The Superintendent may also establish asset maintenance requirements for branches of non-U.S. banks. Currently, no such requirement has been imposed upon the New York Branch.

The New York Banking Law authorises the Superintendent to take possession of the business and property of a New York branch of a non-U.S. bank under certain circumstances, including violations of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the non-U.S. bank at its domicile or elsewhere. In liquidating or dealing with a branch's business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent for payment out of the business and property of the non-U.S. bank in the State of New York (which includes but is not limited to assets, or other property of the New York branch, wherever situated), without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the foreign 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

On 21 July 2010, the U.S. enacted the Dodd-Frank Act, which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial markets. Implementation of the Dodd-Frank Act will require further detailed rulemaking by different U.S. regulators, including the Department of the Treasury, the Federal Reserve, the SEC, the FDIC, the CFTC and the FSOC, and uncertainty remains about the final details, timing and impact of the rules.

Among other things, the Dodd-Frank Act requires that the lending limits applicable to Rabobank N.A. and to the New York Branch take into account credit exposure arising from derivative transactions, securities borrowing and lending transactions and repurchase and reverse repurchase agreements with counterparties. The Dodd-Frank Act also expanded the limitations on affiliate transactions applicable to Rabobank N.A. and the New York Branch to include among other things, derivative transactions, securities borrowing and lending transactions, and repurchase transactions.

Additionally, the Dodd-Frank Act provides U.S. regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk, which includes any non-U.S. bank with a branch or agency in the U.S. or a U.S. bank subsidiary and \$50 billion or more in total consolidated assets, which would include the Group. In December 2012, the Federal Reserve proposed rules implementing these heightened standards. Under the proposals, the New York Branch would be subject to liquidity requirements, single counterparty credit limits, and in certain circumstances, asset maintenance requirements. In addition, the proposal would require certain foreign banking organisations to establish a separately capitalised top-tier U.S. intermediate holding company above all its U.S. subsidiaries. If the Group were required to establish such a U.S. intermediate holding company, the U.S. holding company would be subject to capital, liquidity and other enhanced prudential requirements.

Pursuant to the so-called 'Volcker Rule', the Dodd-Frank Act limits the ability of banking entities (including a non-U.S. bank with a U.S. branch, such as the Group) to engage in proprietary trading or to sponsor or invest in private equity or hedge funds subject to certain exceptions. For example, certain non-U.S. banking organisations, such as the Group, are not prohibited from engaging in such activities that are solely outside of the U.S., subject to certain conditions.

In addition, the Dodd-Frank Act provides for an extensive framework for the regulation of derivatives, including mandatory clearing, exchange trading and transaction reporting of certain derivatives, as well as rules regarding the registration of, and capital, margin and business conduct standards for, swap dealers and major swap participants. U.S. regulators have issued numerous regulations governing swaps and derivatives markets as contemplated by the Dodd-Frank Act. Under the Dodd-Frank Act, with certain exceptions, our entities that are swap dealers or major swap participants will be required to register with the CFTC, and will become subject to the requirements as to capital, margin, business conduct, recordkeeping and other requirements applicable to such entities. Also, under the so-called swap "push-out" provisions of the Dodd-Frank Act, the derivatives activities of FDIC-insured banks and U.S. branch offices of non-U.S. banks, such as Rabobank N.A. and the New York Branch, respectively, will be restricted.

Additionally, the Dodd-Frank Act requires systemically important nonbank financial companies and large, interconnected financial institutions, including any non-U.S. bank with \$50 billion or more in total consolidated assets that has a branch or agency in the U.S. to prepare and periodically submit to the Federal Reserve, the FDIC and the FSOC a plan for such company's rapid and orderly resolution in the event of material financial distress or failure. The resolution plan requirements have been implemented through regulations issued

by the Federal Reserve and the FDIC that establish rules and requirements regarding the submission and content of a resolution plan and procedures for review by the Federal Reserve and the FDIC. The Federal Reserve and the FDIC must determine that a company's resolution plan is credible and would facilitate an orderly resolution of the company. A company that fails to submit a credible resolution plan can be subject to a range of measures imposed by the Federal Reserve and the FDIC, including more stringent capital, leverage or liquidity requirements; restrictions on growth, activities or operations; and requirements to divest assets or operations, as directed by the Federal Reserve and the FDIC. Implementation of the Dodd-Frank Act and related final regulations could result in significant costs and potential limitations on or reorganisation of the Group's businesses and results of operations.

MAJOR PARTICIPANTS AND RELATED PARTY TRANSACTIONS

Major Holders of Rabobank Participations and Holders of Rabobank Certificates

The sole holder of Rabobank Participations is Stichting AK Rabobank. As of the date of this Prospectus, it holds 237,796,365 Rabobank Participations, which represents 100% of the outstanding Rabobank Participations. Stichting AK Rabobank does not have any voting rights in the General Meeting. See “Summary Description of Rabobank Certificates”.

There is no obligation under Dutch law or under the Rabobank Nederland Articles for holders of Rabobank Certificates to disclose their interest in Rabobank Nederland’s capital or voting rights.

Except for Stichting AK Transitional Certificates which, as of the date of this Prospectus, holds 7.56% of the Rabobank Certificates and Rabobank Nederland which, as of the date of this Prospectus, holds 17.28% of the Rabobank Certificates (all of which as of the date of this Prospectus are still Current Member Certificates) Rabobank Nederland is not aware of any major holder of Rabobank Certificates. Holders of Rabobank Certificates do not have any voting rights in the General Meeting. See “Summary Description of Transitional Certificates”.

Rabobank Nederland is not directly or indirectly owned or controlled by another corporation or by any foreign government. Rabobank Nederland is a cooperative with members. Its members are Local Rabobanks who are represented in the Central Delegates Assembly (*Centrale Kringvergadering*) and the General Meeting. The Central Delegates Assembly has a significant influence on the views adopted in the Group. The General Meeting is the body through which all Local Rabobanks can exercise direct control. The General Meeting deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the Rabobank Nederland Articles and regulations and the appointment of members of the Supervisory Board. The financial performance of Rabobank Nederland is dependent upon the performance of the independent Local Rabobanks and the subsidiaries within the Group. Rabobank Nederland is not aware of any arrangement that may, at a subsequent date, result in a change of control.

Related Party Transactions

No holder of Rabobank Participations, holder of Rabobank Certificates or member of the Management Board, Supervisory Board or senior management team has any material interest in any transactions of Rabobank Nederland which are or were unusual in their nature or conditions or that are or were significant to Rabobank Nederland’s business.

TAXATION

Taxation in the Netherlands

This paragraph is intended as general information only and it does not present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Rabobank Certificates. For Dutch tax purposes, a holder of Rabobank Certificates may include an individual who or an entity that does not have the legal title of the Rabobank Certificates, but to whom nevertheless the Rabobank Certificates are attributed, based either on such individual or entity owning a beneficial interest in the Rabobank Certificates or based on specific statutory provisions. These include statutory provisions pursuant to which Rabobank Certificates are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Rabobank Certificates.

Prospective holders of Rabobank Certificates should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Rabobank Certificates.

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

For the purpose of this paragraph, “**Dutch Taxes**” shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Withholding Tax

No Dutch dividend withholding tax is due on payments made by Rabobank Nederland on the Participations nor on payments made by Stichting AK Rabobank on the Rabobank Certificates.

Taxes on Income and Capital Gains

This section does not describe the possible Dutch tax considerations or consequences that may be relevant to a holder of Rabobank Certificates:

- (i) who is an individual and for whom the income or capital gains derived from the Rabobank Certificates are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) that is an entity which is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as pension funds); or
- (iii) that is an investment institution (*beleggingsinstelling*) as described in article 6a and 28 of the Dutch Corporate Income Tax Act 1969 (“**CITA**”) respectively.

Residents in the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following holders of Rabobank Certificates:

- (i) individuals who are resident or deemed to be resident in the Netherlands for Dutch income tax purposes;
- (ii) individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes ((i) and (ii) jointly “**Dutch Individuals**”); and
- (iii) entities that are subject to CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes (“**Dutch Corporate Entities**”).

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at statutory progressive rates with a maximum of 52% with respect to any benefits derived or deemed to be derived from Dutch Enterprise Rabobank Certificates (as defined below), including any capital gains realised on the disposal thereof.

“**Dutch Enterprise Rabobank Certificates**” are Rabobank Certificates, or rights to derive benefits from Rabobank Certificates:

- (i) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder); or
- (ii) the benefits of which are attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*), including, without limitation, activities which are beyond the scope of active portfolio investment activities.

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who owns Rabobank Certificates, excluding Dutch Enterprise Rabobank Certificates, will be subject annually to an income tax imposed on a fictitious yield on such Rabobank Certificates. The Rabobank Certificates held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Rabobank Certificates, is set at a fixed amount. The fixed amount equals 4% of the fair market value of the assets reduced by the liabilities and measured, in general, exclusively at the beginning of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% with respect to any benefits derived or deemed to be derived (including any capital gains realised on the disposal thereof) of Rabobank Certificates. A reduced rate applies to the first €200,000 of taxable profits.

Non-residents in the Netherlands

A holder of Rabobank Certificates other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch Taxes on income or capital gains in respect of the ownership and disposal or transfer of the Rabobank Certificates, other than withholding tax as described above, except if:

- (i) the holder of Rabobank Certificates, whether an individual or not, derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which Rabobank Certificates are attributable;
- (ii) the holder of Rabobank Certificates is an individual and derives benefits from miscellaneous activities carried out in the Netherlands in respect of the Rabobank Certificates, including (without limitation) activities which are beyond the scope of active portfolio investment activities;
- (iii) the holder of Rabobank Certificates is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Rabobank Certificates are attributable; or
- (iv) the holder of Rabobank Certificates is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities or from employment activities, which enterprise is effectively managed in the Netherlands and to which enterprise the Rabobank Certificates are attributable.

Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the Rabobank Certificates by, or inheritance of the Rabobank Certificates on the death of, a holder of Rabobank Certificates, except if:

- (i) at the time of the gift or death of the holder of Rabobank Certificates, the holder of Rabobank Certificates is resident, or is deemed to be resident, in the Netherlands;
- (ii) the holder of Rabobank Certificates passes away within 180 days after the date of the gift of the Rabobank Certificates and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- (iii) the gift of the Rabobank Certificates is made under a condition precedent and the holder of Rabobank Certificates is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

Other Taxes and Duties

No other Dutch Taxes, including taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a holder of Rabobank Certificates by reason only of the purchase, ownership and disposal or transfer of the Rabobank Certificates.

Taxation and Residency

Generally, a holder of Rabobank Certificates will not become subject to Dutch Taxes by reason only of holding the Rabobank Certificates.

A holder of Rabobank Certificates will not become resident, or deemed resident, in the Netherlands for tax purposes by reason only of holding the Rabobank Certificates.

INDEPENDENT AUDITORS

Ernst & Young Accountants LLP has audited the Group's consolidated financial statements for the three years ended 31 December 2010, 31 December 2011 and 31 December 2012, and has issued unqualified independent auditor's reports thereon, which are incorporated by reference into this Prospectus.

The independent auditor of Rabobank Nederland has no interest in Rabobank Nederland. Ernst & Young Accountants LLP is an independent registered accounting firm. The address of Ernst & Young Accountants LLP is Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands. The auditor signing the auditor's reports on behalf of Ernst & Young Accountants LLP is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

The Group's condensed consolidated interim financial information for the six-month period ended 30 June 2013 have not been audited but have been reviewed by Ernst & Young Accountants LLP. This independent auditor's review report is incorporated in this Prospectus by reference.

Ernst & Young Accountants LLP has given, and has not withdrawn, its consent to the incorporation by reference of its reports in this Prospectus in the form and context in which they are incorporated.

Rabobank Nederland confirms that the information in the independent auditor's reports incorporated by reference into this Prospectus has been accurately reproduced and that as far as Rabobank Nederland is aware and able to ascertain from information published by the independent auditors, no facts have been omitted which would render the auditor's reports inaccurate or misleading.

GENERAL INFORMATION

Corporate Resolutions

On 26 November 2013, the Executive Board resolved, among others, to apply for Listing.

On 28 November 2013, the board of Stichting AK Rabobank resolved, among others, upon the Amendment and to apply for Listing.

On 29 November 2013, the Supervisory Board resolved to approve the resolution of the Executive Board to apply for Listing.

Significant Change in Rabobank Nederland's Financial or Trading Position

There has been no significant change in the financial or trading position of the Group, and there has been no material adverse change in the financial position or prospects of the Group, since 30 June 2013.

Availability of Documents

Subject to applicable laws, the following documents (or copies thereof) may be obtained free of charge from Rabobank Nederland's website (www.rabobank.com):

- this Prospectus;
- the Rabobank Nederland Articles, as most recently amended on 23 July 2011;
- the Current Terms and Conditions, as most recently amended on 29 September 2011 (Dutch language version only);
- the Current Stichting Articles, as most recently amended on 29 September 2011 (Dutch language version only);
- the Stichting AK Transitional Certificates Articles, as adopted on 2 December 2013;
- the Terms and Conditions of the Transitional Certificates, as adopted on 2 December 2013;
- the Current Participation Rules effective as of 29 September 2013 (Dutch language version only);
- the Group's audited consolidated financial statements, including the notes thereto, as of and for the financial years ended 2010, 2011 and 2012;
- the Group's unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2013; and
- Rabobank Nederland's non-consolidated financial statements as of and for the financial years ended 2010, 2011 and 2012.

In addition, copies of this Prospectus, the Rabobank Nederland Articles, the Current Terms and Conditions, the Current Stichting Articles, the Stichting AK Transitional Certificates Articles, the Terms and Conditions of the Transitional Certificates, the Current Participation Rules, the Group's audited consolidated financial statements including the notes thereto, as of and for the financial years ended 2010, 2011, 2012, the Group's unaudited consolidated interim financial statements for the six-month period ended 30 June 2013 and Rabobank Nederland's non-consolidated financial statements as of and for the financial years ended 2010, 2011 and 2012 will be available free of charge at Rabobank Nederland's offices during normal business hours from the date of this Prospectus until at least the Listing Date.

Clearing and Settlement

The Rabobank Certificates have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). The ISIN is XS1002121454 and the common code is 100212145.

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The incorporation by reference extends to the parts indicated below and the English language versions of the documents only, unless otherwise indicated below. Non-incorporated parts of the documents listed below are either not relevant for the investor or covered elsewhere in this Prospectus.

- The Group's consolidated financial statements prepared in accordance with IFRS for the financial year ended 2010, and the independent auditor's report dated 28 February 2011, relating thereto.
- The Group's consolidated financial statements prepared in accordance with IFRS for the financial year ended 2011, and the independent auditor's report dated 29 February 2012, relating thereto.
- The Group's consolidated financial statements prepared in accordance with IFRS for the financial year ended 2012, and the independent auditor's report dated, 25 February 2013 relating thereto.
- The Group's reviewed condensed consolidated interim financial information for the six-month period ended 30 June 2013, and the independent auditor's review report dated 20 August 2013, relating thereto, part of the Group's interim report for the six-month period ended 30 June 2013.
- Rabobank Nederland's non-consolidated financial statements prepared in accordance with the DCC for the financial year ended 2010, and the independent auditor's report dated 28 February 2011, relating thereto.
- Rabobank Nederland's non-consolidated financial statements prepared in accordance with the DCC for the financial year ended 2011, and the independent auditor's report dated 29 February 2012, relating thereto.
- Rabobank Nederland's non-consolidated financial statements prepared in accordance with the DCC for the financial year ended 2012, and the independent auditor's report dated, 25 February 2013 relating thereto.
- The Rabobank Nederland Articles, as most recently amended on 23 July 2011.
- The Current Terms and Conditions, as most recently amended on 29 September 2011 (Dutch language version only).
- The Current Stichting Articles, as most recently amended on 29 September 2011 (Dutch language version only).
- Stichting AK Transitional Certificates Articles, as adopted on 2 December 2013.
- Terms and Conditions of the Transitional Certificates, as adopted on 2 December 2013.
- The Current Participation Rules effective as of 29 September 2013 (Dutch language version only).

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

Rabobank Nederland will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, 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 Rabobank Nederland at its registered office set out at the end of this Prospectus, (ii) by telephoning Rabobank Nederland on +31 (0) 30 216 0000 or (iii) from Rabobank Nederland's website at www.rabobank.com under 'investor relations', 'funding' and 'capital'.

No Incorporation of Website

The contents of Rabobank Nederland's website, including any websites accessible from hyperlinks on Rabobank Nederland's website, do not form part of and are not incorporated by reference into this Prospectus.

DEFINITIONS

The following definitions are used in this Prospectus:

Achmea	Achmea B.V.
AFM	The Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)
Alternative Reference Loan	One or more loans which, in the opinion of the Executive Board, coincide(s) as closely as possible with the yield, nature, remaining term and creditworthiness of the debtor(s) with a Dutch State loan having a remaining term between 9.5 and 10.5 years
Amendment	The amendment of the Current Terms and Conditions to align them with the Terms and Conditions
Bank Recovery and Resolution Directive	Directive establishing a framework for recovery and resolution of credit institutions and investment firms
Banking Code	The banking code for Dutch banks as adopted on 9 September 2009, as binding by the Board of the Netherlands Bankers' Association, in response to the report entitled 'Restoring Trust' (' <i>Naar herstel van vertrouwen</i> ') of the Advisory Committee on the Future of Banks in the Netherlands
Basel Committee	The Basel Committee on Banking Supervision of the Bank for International Settlements
Basel Guidelines	Risk-based capital guidelines adopted by the Basel Committee on 15 July 1988
Basel I	Review of the Basel Guidelines dated June 1999
Basel II	Review of Basel I dated June 2004
Basel III	Review of Basel II, still needs to come into effect
BPV	Basis Point Value
BRMC-RG	Balance Sheet and Risk Management Committee Rabobank Group
Business Day	Each day on which both (i) TARGET2 (Trans-European Automated Real-Time Gross Settlement Express Transfer 2) and (ii) banks in the Netherlands are open for payments in euro
Calculation Period	Each period of three months in respect of which the Reference Loan Return is calculated, running (i) from and including 26 March to and including 25 June, (ii) from and including 26 June to and including 25 September, (iii) from and including 26 September to and including 25 December and (iv) from and including 26 December to and including 25 March in each year
Capital Directives	Own Funds Directive and Solvency Ratio Directive
Capital Requirements Directive	EC Directive 2006/48 and EC Directive 2006/49
CFTC	U.S. Commodity Futures Trading Commission
CITA	The Dutch Corporate Income Tax Act 1969
Clearing System Business Day	Monday to Friday inclusive, except for 25 December and 1 January
Clearstream	Clearstream Banking, <i>société anonyme</i>
Code	The Dutch corporate governance code issued on 9 December 2003 and as amended as of 1 January 2009
Common Depository	Deutsche Bank AG, London Branch
CRD IV	Capital Requirements Directive (2013/36/EU) which has been published on 27 June 2013 in the official journal of the EU

CRR	Capital Requirements Regulation (575/2013) which has been published on 27 June 2013 in the official journal of the EU
CSR	Corporate social responsibility
Current Member Certificates	The current member certificates (<i>ledencertificaten</i>), with a nominal amount of €25.00 each, as outstanding as of the date of this Prospectus
Current Participation Rules	The current rules which describe the rights and conditions that apply to the Rabobank Participations effective as of 29 September 2013 (<i>Rabobank participatiereglement</i>)
Current Stichting Articles	The current articles of Stichting AK Rabobank as most recently amended on 29 September 2011
Current Terms and Conditions	The current terms and conditions of administration (<i>administratievoorwaarden</i>) of Stichting AK Rabobank, as most recently amended on 29 September 2011
DBRS	DBRS Ratings Ltd.
DCC	Dutch Civil Code
De Lage Landen	De Lage Landen International B.V.
DNB	The Dutch Central Bank (De Nederlandsche Bank N.V.), a public limited company with its registered office in Amsterdam
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	U.S. Department of Justice
DPP	Dutch Public Prosecutor
Dutch Corporate Entities	Entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for corporate income tax purposes
Dutch CRD IV and CRR Regulation	Draft regulation on specific provisions set out in CRD IV and CRR (<i>Regeling specifieke bepalingen CRD IV en CRR</i>)
Dutch Enterprise Rabobank Certificates	Certificates, or rights to derive benefits from Certificates, (i) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or (ii) the benefits of which are attributable to miscellaneous activities, including, without limitation, activities which are beyond the scope of active portfolio investment activities
Dutch Individuals	Individuals who are resident, or deemed to be resident, in the Netherlands for Dutch income tax purposes and individuals who opt to be treated as if resident in the Netherlands for Dutch income tax purposes
Dutch Taxes	Taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities
EC Directive 2000/12	Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions
EC Directive 2006/48	Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions
EC Directive 2006/49	Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions
ECB	European Central Bank
EEA	European Economic Area

EEC Directive 1993/6	Directive of 15 March 1993 on the capital adequacy of investment firms and credit institutions
EU	European Union
EURIBOR	Euro Interbank Offered Rate
euro or EUR or €	The lawful currency of the European Economic and Monetary Union
Euroclear	Euroclear Bank S.A/N.V.
Executive Board	The executive board (<i>raad van bestuur</i>) of Rabobank Nederland
FCA	The United Kingdom Financial Conduct Authority
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Federal Reserve System
FGH Bank	FGH Bank N.V.
FMSA	Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>)
Friesland Bank	Friesland Bank N.V.
FSOC	Financial Stability Oversight Council
FTEs	Full-time equivalents of the Group's employees
General Meeting	General meeting of members of Rabobank Nederland (<i>algemene ledenvergadering</i>)
Global Proof of Ownership	A registered certificate in global form representing the Rabobank Certificates
Group	The group within the meaning of Section 2:24b DCC to which Rabobank Nederland belongs
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards as endorsed by the European Union
Intended Payment Due Date	29 March, 29 June, 29 September and 29 December in each year (or, if the date is not a Business Day, the next following Business Day or, if this next following Business Day occurs in a subsequent month, the final Business Day before the day in question)
Intended Payment Period	Each period of three months in respect of which payments (if any) on the Rabobank Participations are determined, running (i) from and including 30 December to and including 29 March, (ii) from and including 30 March to and including 29 June, (iii) from and including 30 June to and including 29 September, and (iv) from and including 30 September to and including 29 December in each year
Intervention Act	Dutch banking legislation dealing with ailing banks (<i>Wet bijzondere maatregelen financiële ondernemingen</i>)
Investor's Currency	Principal currency or currency unit of an investor's financial activities
Japanese yen or JPY or ¥	The Japanese yen, the lawful currency of Japan
JFSA	Japanese Financial Services Agency
LCR	Liquidity coverage ratio
LIBOR	London Interbank Offered Rate
Listing	The first admission to listing and trading of all Rabobank Certificates
Listing and Amsterdam Paying Agent	Rabobank Nederland acting through the Rabobank International division
Listing Date	On or around 27 January 2014

Local Rabobank	An independent local Dutch bank that is a member of Rabobank Nederland and that is a banking cooperative in its own right
NSFR	Net stable funding ratio
NYSE Euronext Amsterdam	NYSE Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V.
Obvion	Obvion N.V.
Own Funds Directive	Council Directive 89/299/EEC of 17 April 1989 on the own funds of credit institutions
Participation Rules	The rules which describe the rights and conditions that apply to the Rabobank Participations as they are anticipated to be in effect upon Listing (<i>Rabobank participatiereglement</i>) (Annex IV to this Prospectus). The Participation Rules are expected to be approved by the Executive Board on 17 December 2013, subject to the approval of the Supervisory Board
Paying Agent	Deutsche Bank AG, London Branch
PCC	Policy Credit Committees
Pillar 1	Basel II consists of three pillars. Pillar I reinforces the risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital
Pillar 2	Basel II consists of three pillars. Pillar 2 provides for supervisors to review the Pillar 1 assessments to ensure banks have adequate capital to support their risks
Pillar 3	Basel II consists of three pillars. Pillar 3 seeks to strengthen market discipline by enhancing transparency in banks' financial reporting
pounds sterling or GBP or £	The lawful currency of the U.K.
Prospectus	This prospectus dated 17 December 2013
Rabo Vastgoedgroep	Rabo Vastgoedgroep Holding N.V.
Rabobank Certificates	Registered Rabobank Certificates issued by Stichting AK Rabobank with respect to Rabobank Participations issued by Rabobank Nederland and administered by Stichting AK Rabobank, to which the Terms and Conditions apply
Rabobank Nederland	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)
Rabobank Nederland Articles	The articles of association of Rabobank Nederland, as amended from time to time, most recently on 23 June 2011
Rabobank Participations	Registered participation rights issued by Rabobank Nederland pursuant to Article 18 of the Rabobank Nederland Articles with a nominal value of €25.00 each
Rabohypotheekbank	Rabohypotheekbank N.V.
RAROC	Risk Adjusted Return On Capital
Reference Loan	The most recent Dutch State loan with a remaining term between 9.5 and 10.5 years or, if there is no such loan, a Dutch State loan with a remaining term between 9 and 11 year
Reference Loan Return	The three-month arithmetical average of the effective return of the Reference Loan and, if applicable, the Alternative Reference Loan
Revised IAS 19	IAS 19 (Employee benefits) as amended in June 2011 and effective as IAS19R as of 1 January 2013
Robeco	Robeco Groep N.V.

Shares	Shares in Rabobank Nederland held by a Local Rabobank
Solvency Ratio Directive	Council Directive 89/647/EEC of 18 December 1989 on a solvency ratio for credit institutions
Stichting AK Rabobank	Stichting AK Rabobank Ledencertificaten (to be renamed Stichting AK Rabobank Certificaten)
Stichting AK Transitional Certificates	Stichting Rabobank
Stichting AK Transitional Certificates Articles	The articles of Stichting AK Transitional Certificates dated 2 December 2013 and as amended from time to time
Stichting Articles	The draft articles of Stichting AK Rabobank dated 11 December 2013, as they are anticipated to be in effect upon Listing (Annex I to this Prospectus) and thereafter as amended from time to time
Strategic Framework	The Group's strategy for the period from 2013 to 2016 (adopted in September 2012)
Supervisory Board	The supervisory board (<i>raad van commissarissen</i>) of Rabobank Nederland
Supervisory Board Rules	The rules of procedure adopted by the Supervisory Board regarding its functioning and internal organisation
Terms and Conditions	The draft terms and conditions of administration (<i>administratievoorwaarden</i>) of Stichting AK Rabobank, dated 11 December 2013 as they are anticipated to be in effect upon Listing (Annex II to this Prospectus) and thereafter as amended from time to time
Terms and Conditions of the Transitional Certificates	The terms and conditions of administration (<i>administratievoorwaarden</i>) of Stichting AK Transitional Certificates, as adopted on 2 December 2013 and as amended from time to time
The Netherlands	The part of the Kingdom of the Netherlands located in Europe
TIBOR	Tokyo Interbank Offered Rate
Transitional Certificates	The transitional certificates, with a nominal amount of €25.00 each, issued by Stichting AK Transitional Certificates
U.K.	United Kingdom
U.S.	United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
US dollars or US\$ or USD or \$	The U.S. dollar, the lawful currency in the U.S.
Works Council	The works council (<i>ondernemingsraad</i>) of Rabobank Nederland

ANNEX I: DRAFT ARTICLES OF STICHTING AK RABOBANK

This Annex I forms an integral part of this Prospectus.

DRAFT DE BRAUW DATED 11 DECEMBER 2013
UNOFFICIAL TRANSLATION
DEED OF AMENDMENT OF THE ARTICLES
STICHTING AK RABOBANK LEDENCERTIFICATEN
(TO BE RENAMED:
STICHTING AK RABOBANK CERTIFICATEN)

On the [●] day of [●] two thousand and fourteen appears before me, [●], notaris (civil-law notary) practising in Amsterdam:

[●]

The person appearing declares that on the [●] day of [●] two thousand and fourteen the board of the foundation: **Stichting AK Rabobank Ledencertificaten**, with seat in Utrecht, the Netherlands, and address at: 3521 CB Utrecht, the Netherlands, Croeselaan 18, number Trade Register 53646630 resolved to amend the articles of association of this foundation and to authorise the person appearing to execute this deed.

Pursuant to those resolutions the person appearing declares that he/she amends the foundation's articles such that these shall read in full as follows

ARTICLES:

Name. Seat.

Article 1.

The name of the foundation is: **Stichting AK Rabobank Certificaten**. The foundation has its seat in Utrecht, the Netherlands.

Objects.

Article 2.

2.1. The objects of the foundation are:

- a. to acquire and to manage participations in the capital of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative with seat in Amsterdam, the Netherlands ("**Rabobank Nederland**") by way of administration (*ten titel van beheer*) and to issue certificates that correspond to the participations thus acquired, which certificates will be governed by the conditions of administration as established by the foundation (the "**conditions of administration**");
- b. to exercise all rights associated to the participations referred to under a, - including exercising the right to acquire participations, receiving payments and other distributions including distributions upon liquidation - all this subject to the obligation to pay the distributions received to the holders of the aforementioned certificates without delay, on the understanding that in the event of a distribution in kind in the form of participations, certificates will be issued; and
- c. to perform any acts that relate and may be conducive to the foregoing.

2.2. Other than in accordance with the conditions of administration, the foundation may not dispose of, pledge or otherwise encumber the participations managed by it.

Board. Composition.

Article 3.

3.1. The board of the foundation shall consist of a minimum of three (3) board members, or such other number as may be determined by the board, subject to the approval of the supervisory board of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative with seat in Amsterdam, the Netherlands ("**Rabobank Nederland**").

- 3.2. In case the board consists of three (3) board members, two (2) board members are board member A and one (1) board member is board member B.
- 3.3. If another number of board members has been determined in accordance with article 3.1., the board shall also determine the number of board members A and the number of board members B, subject to the approval of the supervisory board of Rabobank Nederland and provided that the number of board members A must always exceed the number of board members B.
- 3.4. Appointed board members A cannot be:
 - a. board members and members of the supervisory board of Rabobank Nederland and/or its subsidiary companies;
 - b. husbands and wives and relations by blood or affinity until the fourth degree of board members or members of the supervisory board of Rabobank Nederland and/or its subsidiary companies;
 - c. employees of Rabobank Nederland and/or its subsidiary companies;
 - d. regular advisers of Rabobank Nederland, including the accountant as defined in section 2:393 of the Dutch Civil Law Code or a member of the organisation defined in this article, the civil law notary and the lawyer of Rabobank Nederland;
 - e. former board members, members of the supervisory board and employees of Rabobank Nederland and/or its subsidiary companies, but only during the first two (2) years after the termination of their position as board member, member of the supervisory board or employee;
 - f. former regular advisers of Rabobank Nederland, as defined under d, but only during the first two (2) years after termination of the advisor ship;

Board. Appointment, resignation and dismissal of board members.

Article 4.

- 4.1. Board members A are appointed and dismissed by the board itself, subject to the approval of the supervisory board of Rabobank Nederland. Board members B are appointed and dismissed by Rabobank Nederland.
- 4.2. Without prejudice to section 2:298 of the Civil Code, a board member shall cease to be a board member:
 - a. on his death;
 - b. on his voluntary resignation;
 - c. because his bankruptcy becomes final, he is placed under guardianship (*curatele*) or he loses the free control over his estate other than as a result of a suspension of payments granted to him;
 - d. with respect to a board member A, in case he obtains a quality as a result of which he might not longer be appointed as board member A according to the provisions laid down by article 3 paragraph 4;
- 4.3. If no appointment of a new board member has been made within six months of a vacancy arising, the readiest board member or other interested person may request the District Court of Utrecht to fulfil the vacancy.

Board. Retirement of board members appointed by the District Court.

Article 5.

A board member appointed by the District Court on the basis of article 4, paragraph 3 will retire once a board member is appointed in his or her place in accordance with article 4, paragraph 1.

Board. Organisation.

Article 6.

- 6.1. Notwithstanding article 9, paragraph 1 and paragraph 4 of this article, if more than one (1) board member is in function, resolutions of the board can only be validly adopted if at least two (2) board members are present or represented.
- 6.2. A board member may be represented at a meeting by another board member authorized in writing.
- 6.3. Unless these articles require a qualified majority, the board can adopt valid resolutions by an absolute majority of the votes cast.

- In the event of a tie vote in a board meeting, the board members A shall have a decisive vote. If subsequently the votes cast by the board members A are equally divided, no resolution will be adopted.
- 6.4. The board is not authorised to adopt a resolution if there is more than one (1) vacancy in the board. Resolutions as referred to in article 9 paragraph 1 can only be adopted if there is no vacancy in the board.
- 6.5. The board shall appoint a board member A as chairman. The board meetings shall be chaired by the chairman of the board, who however may appoint another board member as chairman.
If the chairman is not present at the meeting, the board meeting will be chaired by another board member appointed at the board meeting.
The board may appoint a secretary, whether or not from amongst its members.
The secretary shall keep minutes of the meeting.
If the board did not appoint a secretary, the chairman shall appoint a secretary for the meeting concerned.
- 6.6. Board meetings will be held at the request of a board member and in any case forthwith if the conditions of administration require a resolution of the board.
- 6.7. Board meetings are convened either by the board member requesting the meeting or by or in the name of the chairman by means of a convening notice or email sent to each board member stating the place and time of the meeting and the agenda of the meeting.
The notice period shall be at least three working days, excluding the day of convocation and the day of the meeting.
- 6.8. The minutes shall be adopted and in evidence of such adoption be signed by the chairman and the secretary of the meeting concerned.
- 6.9. Each board member has one vote.
- 6.10. The board may also adopt resolutions without holding a meeting, provided that the resolution is adopted in writing and all board members in office voted in favour of the proposal concerned. The documents evidencing the adoption of such a resolution will be kept with the minute book.
- 6.11. The board may also hold a meeting and adopt resolutions by phone, provided that all board members are informed of such meeting, and none of them objected to holding a meeting by phone. The provisions of these articles concerning the holding of meetings of the board apply to the extent possible, in any case including the quorum requirement referred to in paragraph 1 of this article, and in any case excluding the method of convening a meeting and the period for convening the meeting.

Representation.

Article 7.

The foundation is represented by the board or by two (2) board members acting jointly.

Financial year, balance sheet and statement of income and expenditure.

Article 8.

- 8.1. The financial year coincides with the financial year of Rabobank Nederland.
- 8.2. The board must keep such records of the financial position of the foundation in such a way that the rights and obligations of the foundation are known at all times.
- 8.3. Without prejudice to the provisions of the law, the board shall prepare a balance sheet and a statement of assets and liabilities within six months after the end of the financial year.
- 8.4. The board must keep the books, documents and other data carriers referred to in this article for a period of seven years.

Special resolutions.

Article 9.

- 9.1. The board is authorised to:
- a. amend the articles of the foundation; and
 - b. dissolve the foundation.

The board may only adopt such resolution by unanimous vote and only if there is no vacancy in the board.

9.2. Amendments to these articles must be effected by notarial deed. Each board member will be authorized to execute such notarial deed.

9.3. The board will liquidate the foundation. The liquidation will be effected such that the participations administered by the foundation are transferred to the certificate holders by way of termination of the administration, as a result of which the certificates are cancelled.

Any surplus liquidation balance will be destined to the extent possible for a purpose corresponding with the objects of the foundation, to be determined by the liquidators.

9.4. After the liquidation, the person appointed for this purpose by the board will hold the books, documents and other data carriers of the Stichting in custody for a period of seven years.

A document in evidence of the resolutions, referred to in the head of this deed, is attached to this deed.

In witness whereof the original of this deed which will be retained by me, notaris, is executed in Amsterdam, on the date first mentioned in the head of this deed.

Having conveyed the substance of the deed and given an explanation thereto and following the statement of the person appearing that he/she has taken note of the contents of the deed and agrees with the partial reading thereof, this deed is signed, immediately after reading those parts of the deed which the law requires to be read, by the person appearing, who is known to me, notaris, and by myself, notaris.

ANNEX II: DRAFT TERMS AND CONDITIONS OF STICHTING AK RABOBANK

This Annex II forms an integral part of this Prospectus.

DRAFT DE BRAUW DATED 11 DECEMBER 2013

STICHTING AK RABOBANK CERTIFICATEN

CONDITIONS OF ADMINISTRATION

(TO BE LAID DOWN IN A NOTARIAL DEED)

Chapter 1.

Glossary.

Article 1.

In these Conditions of Administration the following terms shall have the meaning as defined below:

Administration Office	: Stichting AK Rabobank Certificaten, a Dutch foundation (<i>stichting</i>) with seat in Utrecht, the Netherlands;
Board	: board of the Administration Office;
Business Day	: (i) a day other than a Saturday or a Sunday on which Euroclear and Clearstream are operating and (ii) a day on which banks and foreign exchange markets are open for general business in the city of the Paying Agent office and (iii) a day on which TARGET is operating;
Clearstream	: Clearstream Banking, <i>société anonyme</i> , and / or such other institution as designated in accordance with article 2.3.4.;
Common Depositary	: Deutsche Bank AG, London branch, or such other common depositary as appointed in accordance with article 2.2.2.;
Conditions of Administration	: these Conditions of Administration;
Distributions	: payments and other distributions to be made on Rabobank Certificates which shall be equal (in their amount, form and nature) to the payments and other distributions received by the Administration Office on the Participations it holds in administration;
Euroclear	: Euroclear Bank SA/NV and / or such other institution as designated in accordance with article 2.3.4.;
Euronext	: Euronext Amsterdam N.V.;
Global Proof of Ownership	: the global proof of ownership representing the Rabobank Certificates and which is deposited with the Common Depositary;
Independent Third Party	: each person referred to in article 2.5.1. or designated in accordance with article 2.5.2.;

Meeting of Certificate Holders	: the body that consists of the holders of Rabobank Certificates / the meeting in which holders of Rabobank Certificates assemble;
Nominee:	: BT Globenet Nominees Limited, or such other nominee of the Common Depositary as appointed in accordance with article 2.2.2.;
Participations	: Participations (<i>participaties</i>) issued by Rabobank Nederland in accordance with article 18 of its articles of association;
Paying Agent	: Deutsche Bank AG, London Branch, or such other Paying Agent as appointed by the Administration Office;
Rabobank Certificates	: Rabobank Certificates (<i>Rabobank Certificaten</i>) issued by the Administration Office and governed by these Conditions of Administration;
Rabobank Nederland:	: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a Dutch cooperative (<i>coöperatie</i>), with seat in Amsterdam, the Netherlands; and
TARGET	: Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on nineteen November two thousand and seven or any successor thereto.

Chapter 2.

Administration.

Article 2.1.

2.1.1 The below is an unofficial English translation of the objects clause included in the articles of the Administration Office:

“Objects.

Article 2.

2.1. The objects of the foundation are:

a. to acquire and to manage participations in the capital of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative with seat in Amsterdam, the Netherlands (“**Rabobank Nederland**”) by way of administration (*ten titel van beheer*) and to issue certificates that correspond to the participations thus acquired, which certificates will be governed by the conditions of administration as established by the foundation (the “**conditions of administration**”);

b. to exercise all rights associated to the participations referred to under a, - including exercising the right to acquire participations, receiving payments and other distributions including distributions upon liquidation - all this subject to the obligation to pay the distributions received to the holders of the aforementioned certificates without delay, on the understanding that in the event of a distribution in kind in the form of participations, certificates will be issued; and

c. to perform any acts that relate and may be conducive to the foregoing.

2.2. *Other than in accordance with the conditions of administration, the foundation may not dispose of, pledge or otherwise encumber the participations managed by it.*”.

- 2.1.2 The Administration Office offers to take into administration Participations in compliance with these Conditions of Administration and to issue Rabobank Certificates in respect of such Participations.
- 2.1.3. The Participations taken into administration shall be evidenced by an entry in the register of holders of Participations of Rabobank Nederland.
- The entry in the register of holders of Participations of Rabobank Nederland shall be in the name of the Administration Office, provided that no action which requires registration in the register shall be taken in respect of the Participations without the joint instruction of the Administration Office and the Independent Third Party.
- Rabobank Nederland shall provide written notification of such entry to the Independent Third Party and to the Administration Office.
- 2.1.4. The nominal amount of each Rabobank Certificate shall be in EURO and correspond with the nominal amount of the Participations for which the Rabobank Certificates are issued, being twenty-five euro (EUR 25).
- 2.1.5. All Rabobank Certificates shall be in registered form.
- 2.1.6. The Administration Office, as registrar, will keep a register of the Rabobank Certificates or will procure that such register is kept.

Custody. Title to Rabobank Certificates.

Article 2.2.

- 2.2.1. The Rabobank Certificates shall be registered in the name of the Nominee, and held in custody by the Common Depositary on behalf of Euroclear and Clearstream.
- 2.2.2. The Administration Office may resolve that the Rabobank Certificates may be held by another reputable Nominee and / or on behalf of another reputable Common Depositary at the request of Euroclear and Clearstream.
- 2.2.3. Each person who is shown in the records of Euroclear or Clearstream, or of any other central securities depository or clearing house, if applicable, as the holder of Rabobank Certificates (in which regard, save in the case of a manifest error, any document issued by Euroclear or Clearstream, as to the amount of Rabobank Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such amount of Rabobank Certificates for all purposes.
- 2.2.4. The Rabobank Certificates shall be admitted to trading on NYSE Euronext in Amsterdam, the regulated market of Euronext.

Transferability of Rabobank Certificates.

Article 2.3.

- 2.3.1. The minimum transfer amount of the Rabobank Certificates shall be one Rabobank Certificate (each having a denomination of twenty-five euro (EUR 25)). Rabobank Certificates may only be transferred in positive multiples of twenty-five euro (EUR 25) in excess of such minimum transfer amount.
- 2.3.2. Interests in Rabobank Certificates are not subject to other transfer restrictions.
- 2.3.3. Rabobank Certificates will be transferable only in accordance with the rules and procedures, as they apply from time to time, of Euroclear and Clearstream.

- 2.3.4. If required for safeguarding the transferability of the Rabobank Certificates, the Administration Office may designate other or additional (international) central securities depositaries or clearing houses to facilitate the trading and settlement of the Rabobank Certificates.

Proof of ownership of Rabobank Certificates.

Article 2.4.

- 2.4.1 A Global Proof of Ownership shall be issued in respect of all Rabobank Certificates.
- 2.4.2. The Administration Office determines the form of the Global Proof of Ownership.
- 2.4.3. The Global Proof of Ownership shall be signed by or on behalf the Administration Office and authenticated by the Paying Agent; the signatures may be effected by printed facsimile. In addition, the Global Proof of Ownership may be validly signed on behalf of the Administration Office by one or more persons designated by the Administration Office for that purpose.

Independent Third Parties.

Article 2.5.

- 2.5.1. The civil-law notaries associated now or in the future with De Brauw Blackstone Westbroek N.V. shall be designated as Independent Third Parties within the meaning of Appendix II to A-2.7 of the General Rules for the Euronext Amsterdam Stock market (*Bijlage II van het Algemeen Reglement Euronext Amsterdam Stock Market*), each of whom shall be authorised to act individually.
- 2.5.2. The Administration Office and Rabobank Nederland may by mutual consent designate one or more other Independent Third Parties instead of or in addition to the Independent Third Parties referred to in article 2.5.1. and shall announce to the holders of Rabobank Certificates the designation immediately.

Chapter 3.

Distributions.

Article 3.1.

- 3.1.1 The person entitled to receive any Distribution in respect of a Rabobank Certificate shall be the person in whose name such Rabobank Certificate is registered at the close of business on the record date which, for so long as the Rabobank Certificates are represented by the Global Proof of Ownership, shall be on the Clearing System Business Day immediately prior to the date for payment of the relevant Distribution, where “**Clearing System Business Day**” means Monday to Friday inclusive, except twenty-five December and the first day of January.
- 3.1.2. Subject to article 3.1.3, Distributions on a Rabobank Certificate shall be made payable in Amsterdam without charge in accordance with article 3.1.3. A notice shall be given to the Paying Agent, and the holders of Rabobank Certificates as to the Distribution becoming due at least five Business Days in advance of the date for which the Distribution is to be made to the registered holder.
- 3.1.3. Payments of Distributions shall become due in the same amount and on the same dates as payments of distributions on the underlying Participations. The Administration Office shall instruct payment of Distributions upon receipt of distributions on the underlying Participations. Distributions shall be paid to the Paying Agent for the account of the Nominee who will distribute the relevant amounts to Euroclear and Clearstream for their participants in accordance with Euroclear’s and Clearstream’s customary procedures. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

- 3.1.4 The Administration Office will undertake to maintain a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC (as amended from time to time) or any other directive implementing the conclusions of the Economic and Financial Committee (ECOFIN) Council meeting on twenty-six and twenty-seven November two thousand, on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive.
- 3.1.5. Distributions on a Rabobank Certificate will be made without retention, deduction or withholding for or on account of existing or future taxes or levies of any nature whatsoever imposed or levied by or in the name of the Netherlands or any competent tax authority thereof or therein, unless the Administration Office is obliged to make such retention, deduction or withholding for such taxes or levies. In that event, the Administration Office will make the required retention, deduction or withholding of such taxes or levies, as the case may be, and will, at the same time pay, additional amounts to the holders of Rabobank Certificates in order for such holders to receive an amount equal to the amount which would have been received in the absence of the retention, deduction or withholding of such taxes or levies.
- 3.1.6. Each of the persons shown in the records of Euroclear or Clearstream, as the case may be, as a holder of Rabobank Certificates must look solely to Euroclear or Clearstream, as the case may be, for his share of each such payment so made.
- 3.1.7. If a Distribution is declared on the Participations in respect of which holders have the choice of receiving payment in cash or otherwise than in cash, the Administration Office shall make such election in such manner as it deems to be in the interests of the holders of Rabobank Certificates as a class and shall give notice to the Paying Agent and holders of Rabobank Certificates at least five Business Days in advance of the date for which such Distribution is to be made.
- 3.1.8. Distributions made on the Participations in the form of bonus Participations, writing up of Participations, Participation dividends and similar shall, as far as possible, be made available by the Administration Office to the holders of Rabobank Certificates in the form of Rabobank Certificates or by the writing up of the Rabobank Certificates.
- 3.1.9. Distributions on the Rabobank Certificates which have not been claimed upon the expiry of twenty (20) years and one (1) day after the date when they became payable shall be forfeited to the Administration Office.

Costs.

Article 3.2.

All costs arising under these Conditions of Administration, including, for the avoidance of doubt, costs arising under article 3.1.5. shall be borne by Rabobank Nederland.

Chapter 4.

Meeting of Certificate Holders: notice and agenda.

Article 4.1.

- 4.1.1. A Meeting of Certificate Holders will be held each year within six months after the end of the financial year of Rabobank Nederland. At this Meeting of Certificate Holders, the Administration Office shall give a presentation summarising the report given to the Administration Office by Rabobank Nederland regarding its management during the last financial year, in particular its policy regarding the distributions on the Participations.
- 4.1.2. The Administration Office may furthermore convene a Meeting of Certificate Holders and shall invite holders of Rabobank Certificates to attend, as frequently as it considers to be necessary or desirable.
- 4.1.3. A Meeting of Certificate Holders shall be convened at least fifteen (15) days prior to the date on which the meeting is to be held. The convocation notice shall include either (i) the items on the agenda and the contents of all documents which are important for the purposes of the agenda, or (ii) a statement that such documents may be obtained free of charge and the place or places where they are available in which case the documents shall in any case be available in Amsterdam.
- 4.1.4. Meetings of Certificate Holders shall be held at a venue and time to be determined by the Administration Office.

Meeting of Certificate Holders: attendance of meetings.

Article 4.2.

- 4.2.1. The persons who are entitled to attend the Meeting of Certificate Holders are persons who:
- (i) are a holder of Rabobank Certificates as the tenth day prior to the Meeting of Certificate Holders, such date hereinafter referred to as: the “**record date**”; and
 - (ii) have given notice in writing to the Administration Office prior to a date set out in the notice of the Meeting of Certificate Holders,
- in each case, regardless of who will be the holder of the Rabobank Certificates at the time of the Meeting of Certificate Holders. The notice (referred to under (ii)) will contain the name of the relevant person and the number of Rabobank Certificates that such person will represent at the Meeting of Certificate Holders. The provision under (ii) concerning the notice to the Administration Office also applies to any proxy holder of a person otherwise authorised to attend a Meeting of Certificate Holders.
- 4.2.2. The Administration Office may decide that the business transacted at a Meeting of Certificate Holders can be recorded using electronic or telephonic means.
- 4.2.3. The members of the Board may attend any Meeting of Certificate Holders.
- 4.2.4. Furthermore, admission shall be given to the persons whose attendance at the Meeting of Certificate Holders is approved by the chairman of the meeting.
- 4.2.5. All issues concerning the admittance to the Meeting of Certificate Holders shall be decided by the chairman of the meeting, subject to the provisions of these Conditions of Administration.

Meeting of Certificate Holders: order of the meeting, minutes.

Article 4.3.

- 4.3.1. The Meeting of Certificate Holders shall be presided over by the chairman of the Board. However, the chairman may appoint another person to preside over the meeting in his place even if he himself is

present at the meeting. If the chairman is absent and he has not charged another person to preside over the meeting in his place, the chairman of the meeting shall be appointed by the members of the Board present at the meeting, by a simple majority of the votes cast. The chairman shall designate the secretary of the Meeting of Certificate Holders.

- 4.3.2. All issues concerning the proceedings at the meeting shall be decided by the chairman of the Meeting of Certificate Holders.
- 4.3.3. Minutes shall be kept of the business transacted at the meeting unless a notarial record is prepared thereof. Minutes shall be adopted and in evidence of such adoption, be signed by the chairman and the secretary of the meeting concerned.
- 4.3.4. A certificate signed by the chairman and the secretary of the Meeting of Certificate Holders confirming that the Meeting of Certificate Holders has adopted a particular resolution, shall constitute conclusive evidence of such resolution being adopted vis-à-vis third parties.

Meeting of Certificate Holders: adoption of resolutions.

Article 4.4.

- 4.4.1. Whenever the consent of the holders of the Rabobank Certificates is required, such consent must be evidenced by a resolution of the Meeting of Certificate Holders at which meeting at least two-thirds of the nominal amount of Rabobank Certificates outstanding are represented and with a majority of at least two-thirds of the votes cast. If, at such meeting, the said amount of Rabobank Certificates is not represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least two-thirds of the votes cast, irrespective of the amount of Rabobank Certificates represented.
- 4.4.2. Resolutions adopted at a Meeting of Certificate Holders shall be binding upon all Certificate holders whether they were present or not.
- 4.4.3. Each Certificate confers the right to cast one vote at the Meeting of Certificate Holders. Blank votes shall be regarded as not having been cast.
- 4.4.4. The Administration Office may decide that persons entitled to attend the Meeting of Certificate Holders and vote thereat may, within a period prior to the date of the Meeting of Certificate Holders to be set by the Administration Office, which period cannot commence prior to the record date, cast their votes electronically or by telephone in a manner to be decided by the Administration Office. Votes cast in accordance with the previous sentence are equivalent to votes cast at the meeting.
- 4.4.5. The Administration Office may decide that each person entitled to attend the Meeting of Certificate Holders and vote thereat may, either in person or by written proxy, vote at that meeting by electronic or telephonic means, provided that such person can directly take note of the business transacted at the Meeting of Certificate Holders. The Administration Office may attach conditions to the use of such electronic or telephonic means, which conditions shall be announced at the convocation of the Meeting of Certificate Holders.
- 4.4.6. The chairman of the Meeting of Certificate Holders determines the method of voting.
- 4.4.7. The ruling pronounced by the chairman of the Meeting of Certificate Holders in respect of the outcome of any vote taken at a meeting shall be decisive. The same shall apply to the contents of any resolution passed.
- 4.4.8. Any and all disputes with respect to voting shall be decided by the chairman of the Meeting of Certificate Holders.

Chapter 5.

Publications.

Article 5

- 5.1. Immediately upon publication of the annual accounts and annual report of Rabobank Nederland, the Administration Office shall submit a report to the holders of Rabobank Certificates on its activities during the year under review, specifying the number or the nominal value of the Participations taken into administration. Such report shall be made available to holders of Rabobank Certificates in accordance with Chapter 6, and shall be available, free of charge, in Amsterdam.
- 5.1. All announcements and/or notices which Rabobank Nederland is required to make pursuant to, or in connection with, these Conditions of Administration, shall be made available for public inspection by the holders of Rabobank Certificates as soon as possible after publication in accordance with Chapter 6, and shall be available, free of charge, in Amsterdam.

Chapter 6.

Announcements to holders of Rabobank Certificates.

Article 6.1.

- 6.1.1. All communications (including, for the avoidance of doubt, all announcements and notices required to be given under these Conditions of Administration) to holders of Rabobank Certificates shall be given in accordance with the provisions of law and regulations applicable to the Administration Office.
- 6.1.2. In the absence of any provisions as referred to in article 6.1.1., communications (including, for the avoidance of doubt, all announcements and notices required to be given under these Conditions of Administration) to holders of Rabobank Certificates shall be in such form as may be deemed appropriate by the Administration Office.
- 6.1.3. Notwithstanding articles 6.1.1., 6.1.2. and 6.1.4., the Administration Office shall make all communications available through the website of Rabobank Nederland or such other website as designated by the Administration Office and communicated to the holders of Rabobank Certificates.
- 6.1.4. Notwithstanding articles 6.1.1., 6.1.2. and 6.1.3., for as long as the Rabobank Certificates are represented by the Global Proof of Ownership, notices required to be given to the holders of the Rabobank Certificates shall be given by their being delivered to Euroclear and/or Clearstream, as the case may be, or otherwise to the Nominee. Any such notice shall be deemed to have been given to holders on the day on which it is delivered to the relevant clearing system.

Venue of activities.

Article 6.2.

All activities conducted in connection with the administration of the Participations for which holders of Rabobank Certificates may require the assistance of the Administration Office, shall be conducted at an address to be notified to the holders of Rabobank Certificates in Amsterdam. The Administration Office

shall be available for these purposes on business days between nine o'clock in the morning and noon (Central European time).

Announcements to Euronext.

Article 6.3.

- 6.3.1. The Administration Office shall provide Euronext with all particulars necessary for the assessment of its independence from Rabobank Nederland.
- 6.3.2. If Euronext no longer deems the Administration Office to be independent from Rabobank Nederland, and its independence is not restored within such time as determined by Euronext, or if the Administration Office has not within such time as determined by Euronext, provided such particulars as Euronext deems necessary for the assessment of its independence, the Administration Office shall be obliged to transfer the administration to another (independent) administration office. All expenses incurred in connection therewith shall be borne by the Administration Office.
- 6.3.3. If the articles of the Administration Office no longer satisfy the requirements of Euronext, the Administration Office shall transfer the administration to another administration office whose articles do meet such requirements. All expenses incurred in connection therewith shall be borne by the Administration Office.

Chapter 7.

Amendment of these Conditions of Administration.

Article 7.

- 7.1. Notwithstanding article 7.4., the Administration Office may amend these Conditions of Administration, subject to the prior approval of Rabobank Nederland and the Meeting of Certificate Holders.
- 7.2. Any amendment of the Conditions of Administration whereby rights of holders of Rabobank Certificates are reduced or additional obligations are imposed upon them, shall not take effect until three months have elapsed after the date of the amendment. During this period holders of Rabobank Certificates are entitled to cancel (*royeren*) their Rabobank Certificates into Participations free of charge.
- 7.3. Article 7.2. shall not apply if such amendment is considered to be necessary by the Administration Office as a result of an amendment made to the Participations.
- 7.4. Any amendment to these Conditions of Administration the effect of which is to make the Rabobank Certificates convertible into the underlying Participations, shall require the consent of Rabobank Nederland and either the Meeting of Certificate Holders or the Administration Office.
- 7.5. Any amendment to these Conditions of Administration will be laid down in a notarial deed and shall not become effective until the approval of Euronext has been obtained.

Chapter 8.

Termination of administration by the Administration Office. Appointment of successor.

Article 8.1.

- 8.1.1. If the Administration Office is wound up or wishes to terminate its obligations under these Conditions of Administration, or if Rabobank Nederland wishes to terminate the obligations of the Administration Office, the Administration Office shall, with the approval of the Meeting of Certificate Holders and of

Rabobank Nederland (in consultation with Euronext), appoint a successor to which such obligations can be transferred.

If such consultation is unsuccessful or if the required approval of the Meeting of Certificate Holders or Rabobank Nederland is not obtained, the Administration Office or Rabobank Nederland may apply to Euronext for decision on this matter, which shall be binding to all parties.

- 8.1.2. Following any termination pursuant to article 8.1.1. or 6.3.3, the Administration Office shall transfer the Participations it has in administration to its successor within two months of the date of termination.
- 8.1.3. If the administration is transferred to a successor, the successor shall assume all obligations under these Conditions of Administration.
- 8.1.4. The transfer of the administration shall be notified to the holders of Rabobank Certificates, at least five Business Days in advance.

Termination of the administration by the Administration Office. Cancellation of Rabobank Certificates.

Article 8.2.

- 8.2.1. Other than pursuant to articles 7.1, 8.2.2. and 8.2.3., the Rabobank Certificates cannot be cancelled (*niet geroyeerd*).
- 8.2.2. The Administration Office may terminate the administration of the Rabobank Certificates with the prior approval of Rabobank Nederland and of the Meeting of Certificate Holders. Following any such termination the Rabobank Certificates will be cancelled.
- 8.2.3. At the request of the holder of the relevant Rabobank Certificates, the Administration Office may at its discretion cancel one or more Rabobank Certificates.
- 8.2.4. Upon the termination of the administration or cancellation of any Rabobank Certificates, the Administration Office shall without delay exchange the Rabobank Certificates for the Participations in respect of which such Rabobank Certificates were issued. The Administration Office may only terminate the administration or cancel one or more Rabobank Certificates if the Participations in respect of which such Rabobank Certificates have been issued may be freely transferred to the holders of the respective Rabobank Certificates in accordance with article 3.1.3.
- 8.2.5. The Administration Office shall notify the holders of Rabobank Certificates and the Paying Agent of its resolution to terminate the administration or to accept a request as referred to in article 8.2.3. at least five Business Days prior to the execution of the termination or cancellation.
- 8.2.6. Upon termination of the administration, holders of Rabobank Certificates shall have the opportunity for a period of not less than two years after the announcement thereof in accordance with article 8.2.5., to have their Rabobank Certificates exchanged for Participations. During that time, these Conditions of Administration shall remain in effect, subject to any amendments made to them in accordance with article 7.1.
- 8.2.7. Upon expiry of the two year period referred to in article 8.2.6., the Administration Office shall be entitled, after consulting Euronext and after the announcement referred to in article 8.2.5, either (i) to transfer the Participations still in administration to a third party (at the expense and risk of the holders of the Rabobank Certificates outstanding) or (ii) to sell them and to keep the proceeds available for the holders of the Rabobank Certificates then outstanding.

Chapter 9.

Binding nature of the Conditions of Administration.

Article 9.1.

Each holder of the Rabobank Certificates shall be bound to the provisions of these Conditions of Administration and any amendments thereto.

Applicable law. Competent Court.

Article 9.2.

9.2.1. These Conditions of Administration, and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Dutch law.

9.2.2. All disputes arising in connection with these Conditions of Administration, including disputes concerning the existence and validity thereof, shall be resolved by the courts in Amsterdam, the Netherlands.

Availability of the Conditions of Administration.

Article 9.3.

Copies of these Conditions of Administration shall be made available to holders of Rabobank Certificates at a place to be notified to the holders of Rabobank Certificates, and in any case free of charge at the Administration Office and in a place in Amsterdam.

No liability of the Administration Office.

Article 9.4.

Neither the Administration Office nor the Independent Third Parties shall be liable, on whatever ground, for damage incurred by a holder of Rabobank Certificates as a result of or in connection with these Conditions of Administration.

ANNEX III: ARTICLE 18 OF THE RABOBANK NEDERLAND ARTICLES

This Annex III forms an integral part of this Prospectus.

ARTICLES OF ASSOCIATION **COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.**

3. Participation rights

Article 18.

1. Rabobank Nederland may issue registered participation rights to members and third parties whose rights are determined by or pursuant to these Articles of Association and the applicable participation rules, and in respect of which no other payments are made than those mentioned in this Article.
2. The participation rules shall be adopted and amended pursuant to a resolution of the Executive Board subject to the Supervisory Board's approval. An amendment of the Articles of Association or the participation rules of Rabobank Nederland may also lead to a change to the substance or character of the participation rights. Amendment of the Articles of Association or adoption or amendment of the participation rules does not require the approval of the holders of the participation rights.
3. The decision to issue participation rights shall be taken by the Executive Board subject to the approval of the Supervisory Board. No participation certificates shall be issued.
4. The participation rights each have a nominal value of twenty-five euro (EUR 25) or such other amount as specified at the time of issue. Participation rights may be issued at a higher nominal value. Participation rights must be fully paid up at the time of issue.
5. If participation rights are issued at the same nominal value as previously issued participation rights, they shall belong to the same class of participation right, unless the Executive Board decides at the time of issue that the newly issued participation rights will constitute a separate class of participation right. If participation rights are issued at a different nominal value from already outstanding participation rights, the newly issued participation rights shall constitute a different class of participation right.
6. Participation rights do not give the holder the right to attend the General Meeting or any voting rights.
7. A transfer of participation rights needs the prior approval of the Executive Board, in the absence of such approval the transfer does not have legal effect. Participation rights shall be transferred by a private or other deed and notification thereof to Rabobank Nederland. Participation rights may not be made subject to a right of pledge or right of usufruct.
8. Holders of participation rights may issue depositary receipts for participation rights. Holders of such depositary receipts shall have no rights vis-a-vis Rabobank Nederland.
9. Payments may be made in respect of participation rights in accordance with the payments policy as set out in the participation rules. Payments shall be made from the profits or the reserves pursuant to a resolution of the Executive Board. The nominal value of the participation rights shall not be repaid to the holders, except in the case of cancellation of participation rights as referred to in paragraph 12 of this Article or in the circumstances referred to in paragraph 13 of this Article.
10. The Executive Board may decide to consolidate different classes of outstanding participation rights with the same nominal value into one class of participation right.
11. Rabobank Nederland shall keep a precise record of the issue, transfer and transmission of participation rights.
This administration, which should specify in particular the nominal value of the different classes of participation right and the dates of issue, transfer and transmission, shall constitute conclusive evidence with regard to the participation rights.
12. Subject to the Supervisory Board's approval, the Executive Board may decide to cancel participation rights of a certain class, provided that an amount equal to the nominal value of the relevant participation rights is repaid on each participation right of that class.

13. In the event that Rabobank Nederland is dissolved without its business being continued by another legal entity under Article 71 paragraph 2, first sentence, an amount shall be repaid on each participation right in accordance with the provisions of Article 73 paragraph 7.
14. The participation rights and the claims attached thereto – like the shares and the claims attached thereto - cannot be submitted or validated in an (out-of-court) liquidation, a bankruptcy, an emergency scheme as referred to in section 3:160 Financial Markets Supervision Act or in similar situations in a jurisdiction other than the Netherlands, nor can they be set off.

ANNEX IV: PARTICIPATION RULES

This Annex IV forms an integral part of this Prospectus.

PARTICIPATION RULES

General

Article 1

1. The participation rules apply to the Participations issued by Rabobank Nederland.
2. The participation rules are adopted and amended by a resolution of the executive board of Rabobank Nederland with the approval of the supervisory board of Rabobank Nederland. Adopting or amending the participation rules does not require the approval of the holders of the Participations.
3. In the event of a conflict between the provisions of Rabobank Nederland's articles of association and these rules, the articles of association prevail.

Definitions

Article 2

The following definitions apply in these participation rules:

"AK Foundation": Stichting AK Rabobank Certificaten, based in Utrecht;

"Alternative Reference Loan": one or more loans which, in the opinion of the executive board of Rabobank Nederland, coincide(s) as closely as possible as regards yield, nature, remaining term and creditworthiness of the debtor(s) with a Netherlands State loan having a remaining term between 9.5 and 10.5 years;

"Business Day": every day on which both TARGET2 (Trans-European Automated Real-Time Gross Settlement Express Transfer 2) and banks in the Netherlands are open for payments in euros.

"Calculation Period": each period running from 26 March to 25 June, from 26 June to 25 September, from 26 September to 25 December and from 26 December to 25 March in each year;

"CRR": Regulation (EC) No. 575/2013 of the European Parliament and the Council dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EC) No. 648/2012;

"Intended Payment": the payment specified in Article 3.2, which Rabobank Nederland intends to pay in respect of a Participation, without prejudice to the discretion mentioned in Article 3.1;

"Intended Payment Due Date": 29 March, 29 June, 29 September and 29 December in each year (or, if the day in question is not a Business Day, the next following Business Day or, if this next following Business Day occurs in a subsequent calendar month, the final Business Day before the day in question);

"Intended Payment Period": each period running from 30 December to 29 March, from 30 March to 29 June, from 30 June to 29 September and from 30 September to 29 December in each year;

"Participation": a registered participation right issued by Rabobank Nederland in accordance with its articles of association;

"Rabobank Certificate": a certificate issued by AK Foundation in respect of a Participation;

"Rabobank Nederland": Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.; and

"Reference Loan": a Netherlands State loan with a remaining term between 9.5 and 10.5 years or, if there is no such loan, a Netherlands State loan with a remaining term between 9 and 11 years.

Payments

Article 3

1. Whether or not payments are made on the Participations (and via AK Foundation on the Rabobank Certificates), the amounts of those payments and their payment date are at the discretion of the executive board of Rabobank Nederland. The holders of the Participations cannot derive any rights from the intention referred to in paragraph 2 below that Rabobank Nederland has in relation to payments on the Participations or from any deviations thereof.
2. Without prejudice to the executive board's discretion mentioned in paragraph 1, Rabobank Nederland envisages making an Intended Payment on a Participation (and via AK Foundation on a Rabobank Certificate) on every Intended Payment Due Date, of whichever of the following is higher:
 - (a) EUR 0.40625, and
 - (b) the three-monthly arithmetical average (rounded off to two decimal places) on an annual basis of the effective return on the most recent Reference Loan (or, if there is no Reference Loan, on the most recent Alternative Reference Loan) for the previous Calculation Period ending prior to the start of that Intended Payment Period plus 1.5%, **calculated on a nominal value of EUR 25** divided by four.

3. Without prejudice to the executive board's discretion mentioned in paragraph 1, if the executive board of Rabobank Nederland opts not to pay the Intended Payment, or to pay another amount, Rabobank Nederland will not pay any negative difference on any subsequent Intended Payment Due Date or at any other time.
4. Rabobank Nederland will in any event not make an Intended Payment or other payment on an Intended Payment Due Date or at any other time if it has no 'distributable items', within the meaning of the CRR, or if it has not obtained a declaration of no-objection if necessary from, or if payment is prohibited by De Nederlandsche Bank N.V. (the Dutch Central Bank) or any other authority charged with supervision of the liquidity and solvency of credit institutions, all in accordance with the legislation that then applies to Rabobank Nederland.

Calculation and Payment

Article 4

1. Rabobank Nederland will determine the three-month arithmetical average defined in Article 3.2 at (b) on a daily basis and publish this each week on www.rabobank.nl and www.rabobank.com. This calculation will be based on the information provided on the website of De Nederlandsche Bank N.V. or, if this contains no relevant information, on information from another source selected by Rabobank Nederland. If an Alternative Reference Loan is used for the calculation, Rabobank Nederland will publish this on www.rabobank.nl and www.rabobank.com.
2. If the executive board of Rabobank Nederland has decided to make a payment in respect of the Participations (and via AK Foundation on the Rabobank Certificates) in accordance with the discretion reserved in terms of Article 3.1, Rabobank Nederland will publish such a decision on www.rabobank.nl and www.rabobank.com. The payment becomes due and payable as from the thirtieth day after the payment date specified in the published decision. Payments not collected within five years after the start of the second day on which they become payable will revert to Rabobank Nederland.
3. All payments on the Participations will be made without retention, deduction or withholding for or on account of existing or future taxes or levies of any nature whatsoever imposed or levied by or on behalf of the State of the Netherlands or any competent tax authority thereof or therein, unless Rabobank Nederland is obliged to make such retention, deduction or withholding for such taxes or levies. In that event, Rabobank Nederland will make the required retention, deduction or withholding of such taxes or levies, as the case may be, and, at the same time, additional amounts will be paid to the holders of the Participations and to the holders of the Rabobank Certificates in order for such holders to receive an amount equal to the amount which would have been received in the absence of the retention, deduction or withholding of such taxes or levies.

Reporting

Article 5

Within six months of the end of the financial year of Rabobank Nederland, the executive board of Rabobank Nederland will report to the holders of the Participations on the policy pursued by Rabobank Nederland in the preceding financial year and the payments on the Participations.

Commencement

Article 6

The participation rules in this form will come into effect from the first day on which the Rabobank Certificates are allowed to be traded on a regulated market. Until that date, the participation rules that were previously in effect will continue to be in force.

ANNEX V: COMPARISON BETWEEN THE CURRENT MEMBER CERTIFICATES AND THE RABOBANK CERTIFICATES

This Annex V forms an integral part of this Prospectus. The capitalised terms below are defined in “Definitions”.

Current Member Certificates	Rabobank Certificates
Structure	
Stichting AK Rabobank has issued the Current Member Certificates. If the Amendment is approved, Stichting AK Rabobank will issue Rabobank Certificates which will be exchanged for Current Member Certificates and the Listing shall occur. The full legal name of Stichting AK Rabobank Ledencertificaten will be changed to Stichting AK Rabobank Certificaten following the Amendment.	
Governance of Stichting AK Rabobank	
Board composition	
The board consists of 5 members; of whom at least two board members are board members A, two board members are board members B and one board member is a board member C.	The board will consist of three board members, or such other number which is determined by the board, subject to the approval of the Supervisory Board. Two board members will be board members A and one board member will be a board member B.
Appointment of board members	
Board members A are appointed by the meeting of holders of Current Member Certificates. Board members B are appointed by Rabobank Nederland. Board members C are appointed jointly by the board members A and the board members B.	Board members A will be appointed by the board itself, subject to the approval of the Supervisory Board. All board members A must be independent of Rabobank Nederland. Board members B will be appointed by Rabobank Nederland.
Meeting and voting rights	
A meeting of holders of Current Member Certificates shall be held at least once a year and furthermore whenever the board of Stichting AK Rabobank considers this to be appropriate. In addition, a meeting of holders of Current Member Certificates shall be convened as soon as one or more persons, together entitled to at least one-tenth of the total number of Current Member Certificates, request the board to convene a meeting, stating the items to be discussed.	A meeting of holders of Rabobank Certificates shall be held at least once a year and furthermore whenever the board of Stichting AK Rabobank will consider this to be necessary or desirable.
Amendment of the terms and conditions of administration	
A proposal of the board of Stichting AK Rabobank to amend the Current Terms and Conditions must be approved by the meeting of holders of Current Member Certificates. Such approval must be granted with a majority of two-thirds of the votes cast, unless (i) the proposal has been recommended by the board of Stichting AK Rabobank with unanimous vote and (ii) the proposal has been approved by the board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten with unanimous vote, in which case the meeting of holders of Current Member Certificates can approve the proposal with a simple majority of the votes cast.	Whenever the consent of the holders of the Rabobank Certificates will be required, such consent must be evidenced by a resolution of the meeting of holders of Rabobank Certificates, at which meeting at least two-thirds of the nominal amount of Rabobank Certificates outstanding need to be represented and with a majority of at least two-thirds of the votes cast. If, at such meeting, the said amount of Rabobank Certificates will not be represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least two-thirds of the votes cast, irrespective of the amount of Rabobank Certificates represented.

Transferability	
Market	
Current Member Certificates are in principal only transferable at an internal market maintained by Rabobank Nederland set up for this purpose. Under certain circumstances, transfers of Current Member Certificates are allowed outside this internal market.	No transfer restrictions will exist. Rabobank Certificates will be admitted to trading on a regulated market.
Qualification criteria for holders of certificates	
Current Member Certificates can only be held by: (i) a member of a Local Rabobank; (ii) an employee of the Group; (iii) Rabobank Nederland; (iv) a holder of Rabo Extra Ledenobligaties as a result of an exchange of such Rabo ExtraLedenobligatie; and (v) any (legal) person authorised by Stichting Toezicht Interne Markt Rabobank Ledencertificaten.	No qualification criteria for holders of Rabobank Certificates will exist.
Holding threshold	
Stichting Toezicht Interne Markt Rabobank Ledencertificaten sets a maximum number of Current Member Certificates that can be held by an individual (legal) person.	No holding threshold will exist.
Trading days	
Trading on the internal market is only possible on trading days which take place once a month.	Trading will be possible on any business day.
Price-setting	
Price-setting is strongly regulated by Stichting Toezicht Interne Markt Rabobank Ledencertificaten and the market regulation (<i>marktreglement</i>). Stichting Toezicht Interne Markt Rabobank Ledencertificaten sets ranges in which the price of a Current Member Certificate must fall.	The price of the Rabobank Certificates reflect the market price of the Rabobank Certificates on the applicable regulated market. Stichting Toezicht Interne Markt Rabobank Ledencertificaten will not regulate and influence the price of the Rabobank Certificates and no price range will be set.
Stichting Toezicht Interne Markt Rabobank Ledencertificaten	
Stichting Toezicht Interne Markt Rabobank Ledencertificaten supervises the internal market and sets the range in which the price for Current Member Certificates must fall.	Stichting Toezicht Interne Markt Rabobank Ledencertificaten will no longer have any role.
Payments and other distributions	
Stichting AK Rabobank forwards all payments and other distributions made by Rabobank Nederland on the Rabobank Participations to the holders of Current Member Certificates. Payments and other distributions which have not been collected within five years revert to Rabobank Nederland.	Stichting AK Rabobank will forward all payments and other distributions made by Rabobank Nederland on the Rabobank Participations to the holders of Rabobank Certificates. Payments on the Rabobank Participations which have not been claimed within five years, will revert to Rabobank Nederland. Payments on the Rabobank Certificates which have not been claimed upon the expiry of 20 years, will revert to Stichting AK

	Rabobank.
Miscellaneous	
The Current Terms and Conditions do not contain a limitation of Stichting AK Rabobank's liability.	Stichting AK Rabobank shall not be liable, on whatever ground, for damage incurred by a holder of Rabobank Certificates as a result of or in connection with the Terms and Conditions.

RABOBANK NEDERLAND

Croeselaan 18
3521 CB Utrecht
The Netherlands

**STICHTING AK RABOBANK LEDENCERTIFICATEN (TO BE RENAMED STICHTING AK
RABOBANK CERTIFICATEN)**

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3521 CB Utrecht
The Netherlands

LEGAL ADVISER TO RABOBANK NEDERLAND

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INDEPENDENT AUDITORS

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The Netherlands

LISTING AND AMSTERDAM PAYING AGENT

Rabobank International

Croeselaan 18
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PAYING AGENT & COMMON DEPOSITARY

Deutsche Bank AG, London Branch

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United Kingdom