



**Rabobank Nederland**  
**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.**  
**U.S.\$3,612,000 Fixed to Floating Rate Perpetual Noncumulative**  
**Capital Securities to be consolidated and form a single series with**  
**the U.S.\$2,868,297,000 Fixed to Floating Rate Perpetual**  
**Noncumulative Capital Securities issued on June 4, 2009**  

---

**Issue Price of the New Capital Securities: 100.00%**

---

On May 15, 2009, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) ("Rabobank Nederland", the "Issuer" or the "Bank") made an offer to the holders of the U.S.\$1.75 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust II (the "TPS II") and the U.S.\$1.50 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust III (the "TPS III") and, together with the TPS II, the "TPS" or the "Trust Preferred Securities") to exchange such TPS for U.S.\$ Fixed to Floating Rate Perpetual Noncumulative Capital Securities to be issued by Rabobank Nederland (the "Exchange Offers"). In addition, the Issuer agreed to issue U.S.\$1,500,000,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities to other subscribers. This prospectus (the "Prospectus") relates to the U.S.\$3,612,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities (the "New Capital Securities") to be issued by Rabobank Nederland pursuant to the Exchange Offers which will be consolidated and form a single series with the U.S.\$2,868,297,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities issued on June 4, 2009 (the "Original Capital Securities" and together with the New Capital Securities, the "Capital Securities").

Interest on the Capital Securities will accrue from (and including) June 4, 2009 (the "Issue Date") to (but excluding) June 30, 2019 (the "First Call Date") at the rate of 11.0% per annum, and will be payable semi-annually in arrear on 30 June and 31 December in each year. From (and including) the First Call Date, the Capital Securities will bear interest at a rate of three-month U.S. dollar LIBOR plus 10.868%, payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December in each year, all as more particularly described in the "Terms and Conditions of the Capital Securities – 5. Interest". Payments on the Capital Securities will be made without deduction for, or on account of, taxes of the Netherlands to the extent described under the "Terms and Conditions of the Capital Securities – Taxation".

The Capital Securities will be perpetual securities and will have no fixed or final redemption date. Subject to satisfaction of certain conditions (as described herein) and applicable law, the Capital Securities will be redeemable (at the option of the Issuer) on the "First Call Date", or on each Interest Payment Date thereafter, in whole but not in part in an amount equal to the Redemption Price (as defined in the "Terms and Conditions of the Capital Securities") with respect to such Capital Securities. Unless the Capital Securities have previously been redeemed or purchased and cancelled as provided in the "Terms and Conditions of the Capital Securities", the Issuer undertakes to exercise its option to redeem the Capital Securities as aforesaid on the first Interest Payment Date falling on or after June 30, 2039 on which the Conditional Call Exercise Requirements (as defined in the "Terms and Conditions of the Capital Securities") have been satisfied, as further described herein. In addition, upon the occurrence of a Tax Law Change or a Capital Event (each as defined in the "Terms and Conditions of the Capital Securities"), the Capital Securities may be redeemed (at the option of the Issuer) prior to the First Call Date in whole but not in part in an amount equal to their Make Whole Redemption Price or Redemption Price, as the case may be, as further described herein. The Capital Securities will constitute direct, unsecured and subordinated obligations of the Issuer and shall rank at all times *pari passu* and without any preference among themselves.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any other jurisdiction. Accordingly, the Capital Securities are being offered and sold only to (i) "qualified institutional buyers", as that term is defined in Rule 144A under the Securities Act ("Rule 144A"), in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act or (ii) persons other than "U.S. persons", as that term is defined in Regulation S under the Securities Act ("Regulation S"), in offshore transactions in reliance on Regulation S. The Capital Securities are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and other applicable securities laws, pursuant to registration or exemption therefrom. For a description of certain restrictions on resales and transfers of the Capital Securities, see "Transfer Restrictions".

Application has been made to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or "AFM"), in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and regulations thereunder (together "Dutch securities laws"), for the approval of this Prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). Applications have also been made for the New Capital Securities to be admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam"). References in this Prospectus to the New Capital Securities being "listed" (and all related references) shall mean that the New Capital Securities have been admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and the Council on Markets in Financial Instruments. The denomination of the Capital Securities shall be U.S.\$75,000 and integral multiples of U.S.\$1,000 in excess thereof. The Capital Securities issued in reliance on Regulation S will be represented by interests in a permanent, unrestricted global certificate (the "Regulation S Global Capital Security Certificate") without interest coupons, which will be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), on the Issue Date. Beneficial interests in the Regulation S Global Capital Security Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg. The Capital Securities issued in reliance on the exemption from registration under the Securities Act provided by Rule 144A will be represented by a new restricted capital security certificate (the "Rule 144A Global Capital Security Certificate") (the Regulation S Global Capital Security Certificate and the Rule 144A Global Capital Security Certificate, together the "Global Capital Security Certificates") without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") on the Issue Date. Beneficial interests in the Rule 144A Global Capital Security Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "Clearing and Settlement". Individual, definitive certificates in registered form ("Definitive Capital Securities") will only be available in certain limited circumstances as described herein. See "Summary of the Provisions Relating to the Capital Securities in Global Form".

The New Capital Securities are expected upon issue to be rated "Aa2" by Moody's Investors Service Inc., "AA-" by Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc. and "AA" by Fitch Ratings Ltd. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors incorporated by reference in this Prospectus.

**Dealer Managers**

**Banc of America Securities LLC**

**Credit Suisse**

**UBS Investment Bank**

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “Important Information – Documents Incorporated by Reference” below).

This Prospectus does not constitute an offer or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for the New Capital Securities in certain jurisdictions which may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer in any circumstances in which such offer is unlawful. The Issuer will not incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

No person is, or has been, authorised to give any information or to make any representation other than as contained in this Prospectus in its entirety in connection with the issue or offering of the New Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the issue or offering of the New Capital Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Prospectus nor any other information supplied in connection with the issue or offering of the New Capital Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the issue or offering of the New Capital Securities should purchase any New Capital Securities. Each investor contemplating participating in the issue or offering of the New Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit-worthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue or offering of the New Capital Securities constitutes an offer of, or an invitation by or on behalf of the Issuer to any person to subscribe for or purchase, any New Capital Securities.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in the prospectus dated June 4, 2009 in relation to the listing of the Original Capital Securities which is incorporated by reference in this Prospectus. See “Important Information – Documents incorporated by reference”. This Prospectus does not describe all of the risks of an investment in the New Capital Securities. Each potential investor in the New Capital Securities should determine for itself the relevance of the information contained in this Prospectus and its purchase of New Capital Securities should be based upon such investigation as it deems necessary.

Unless otherwise specified or the context requires, references to “£” are to the currency of the United Kingdom, “dollars”, “U.S. dollars” and “U.S.\$” are to United States dollars, “NZ\$” are to the currency of New Zealand and references to “EUR” and “€” are to euro, which means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community.

Unless the context otherwise requires, references in this Prospectus to “Rabobank Nederland”, the “Issuer” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and references to the “Rabobank Group” or the “Bank” or “Rabobank” are to Rabobank Nederland and its members, subsidiaries and affiliates. References to “Initial Purchasers” are to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and UBS Securities LLC.

All figures in this Prospectus have not been audited, unless stated otherwise. Such figures are internal figures of Rabobank Nederland or Rabobank Group (as defined hereafter).

The New Capital Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Capital Securities or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the later of the commencement of the offering and the issue date of the New Capital Securities, an offer or sale of the New Capital Securities within the United States by any dealer not participating in the offering may violate the registration requirements of the Securities Act.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

#### **Available information under Rule 144A**

Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"). As long as Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish its annual report and certain other periodic reports and information to the SEC. At such time of filing, Rabobank Nederland will be exempt from providing the information required under Rule 144A(d)(4) described in the paragraph below. Copies of the materials furnished to the SEC may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and will also be available for inspection and copying at the regional office of the SEC located at Citicorp Center, 500 West Madison Street (Suite 1400), Chicago, Illinois 60661.

Rabobank Nederland has agreed that, for so long as any Capital Securities issued by it are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Rabobank Nederland is not, nor does it intend to become, a reporting company under Section 13 or Section 15(d) of the Exchange Act. Any such request for information should be directed to Rabobank Nederland at its office set out at the end of this Prospectus.

## TABLE OF CONTENTS

	<b>Page</b>
SUMMARY .....	5
RISK FACTORS .....	16
IMPORTANT INFORMATION.....	17
FORWARD-LOOKING STATEMENTS .....	19
TERMS AND CONDITIONS OF THE CAPITAL SECURITIES .....	20
SUMMARY OF PROVISIONS RELATING TO THE CAPITAL SECURITIES WHILE IN GLOBAL FORM .....	44
TRANSFER RESTRICTIONS .....	48
CLEARING AND SETTLEMENT OF THE CAPITAL SECURITIES .....	50
USE OF PROCEEDS .....	54
TAXATION .....	55
LEGAL MATTERS .....	62
GENERAL INFORMATION .....	63

## SUMMARY

*This overview must be read as an introduction to this Prospectus. Any decision to invest in any Capital Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. The Issuer has civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

### **Rabobank**

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

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world's 20 largest financial institutions.

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

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

At December 31, 2008, the Rabobank Group had total assets of € 612.1 billion, a private sector loan portfolio of € 408.6 billion, amounts due to customers of € 304.2 billion, saving deposits of € 114.7 billion and equity of € 33.5 billion. At December 31, 2008, its Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 12.7%. For the year ended December 31, 2008, the Rabobank Group's efficiency ratio was 65.3%, and return on equity, or net profit expressed as a percentage of core capital, was 9.7%. For the year ended December 31, 2008, the Rabobank Group realised a 2% rise in net profit to € 2.8 billion and a risk-adjusted return on capital ("RAROC"), of 12.5% after tax. At December 31, 2008, the Rabobank Group had 60,568 full-time employees.

### **Objectives**

According to article 3 of its articles of association, the objective of Rabobank Nederland is to promote the interests of its members, the local Rabobanks. 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 the articles of association, entering into commitments on their behalf, provided that such commitments have the

same implications for all its members, including the entering into collective labour agreements on behalf of its 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, investments and/or other financial services; (v) supervising the local Rabobanks in accordance with the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*); and (vi) doing all such other things as may be regarded as being incidental or conducive to the attainment of the objectives specified above.

### **Market shares in the Netherlands**

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services.

Residential mortgages: At December 31, 2008, the Rabobank Group had a market share of approximately 30% of new home mortgages in the Dutch mortgage market by value (source: Dutch Land Registry Office (*Kadaster*)).

Savings deposits of individuals: At December 31, 2008, the Rabobank Group had a market share of approximately 43% of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)).

Lending to small and medium-sized enterprises: At December 31, 2008, the Rabobank Group had a market share of approximately 39% of domestic loans to the trade, industry and services sector (source: measured by Rabobank's own surveys).

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

### **Asset quality record**

In 2008 Rabobank's bad debt costs were 31 basis points of average lending, which is higher than the long-term average of 21 basis points. This ratio provides an indication of the probability of loan losses and reflects Rabobank Group's favourable credit risk profile.

At December 31, 2008, economic country risk exposure to non-OECD countries represented 3.1% of the Rabobank Group's total assets. Having taken into account country risk-reducing components, net country risk before provisions amounted to 1.2% of Rabobank's total assets.

### **Capitalisation**

As a result of Rabobank's co-operative ownership structure it is not allowed to pay dividends, which benefits its capital base. At December 31, 2008, Rabobank's Tier 1 ratio was 12.7%.

### **Exchange Offers**

On May 15, 2009, the Issuer made an offer to the holders of the U.S.\$1.75 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust II and the U.S.\$1.50 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust III to exchange such TPS for Capital Securities to be issued by the Issuer.

In connection with each Exchange Offer, the Issuer also announced on May 15, 2009 the solicitation of consents of the holders of the applicable series of TPS to a proposed amendment to each of the Amended and Restated Trust Agreement dated November 21, 2003 relating to the TPS II and the Amended and Restated

Trust Agreement dated October 21, 2004 relating to the TPS III (together, the “Trust Agreements”). The Issuer received the requisite number of consents required to effect the proposed amendment, which had the effect of enabling the purchase of the TPS in the Exchange Offers relating to the applicable series of TPS by amending a certain restrictive provision in that regard in the respective Trust Agreements.

As at 5:00 p.m. New York City time on May 28, 2009 (the “Early Participation Deadline”), the aggregate early participation rate for the Exchange Offers was approximately 54.1% of the outstanding Trust Preferred Securities. Approximately U.S.\$1,013,623,000, or 57.9%, face value of the TPS II and approximately U.S.\$743,275,000, or 49.6%, face value of the TPS III were tendered for exchange, which were exchanged for U.S.\$1,368,297,000 of Capital Securities. The early acceptance of the Exchange Offers and offering of Capital Securities resulted in an aggregate issuance of Capital Securities of U.S.\$2,868,297,000 on June 4, 2009.

Each Exchange Offer expired at midnight, New York City time, on June 12, 2009. U.S.\$3,612,000 of New Capital Securities are expected to be issued on June 18, 2009 in exchange for U.S.\$3,143,000 of the TPS II and U.S.\$1,795,000 of the TPS III which were validly tendered and not withdrawn after the Early Participation Deadline but prior to midnight, New York City time, on June 12, 2009, resulting in an aggregate issuance of Capital Securities of U.S.\$2,871,909,000 as at June 18, 2009.

## Summary of the Terms of the New Capital Securities

*Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them in “Terms and Conditions of the Capital Securities”.*

<b>Issuer of the New Capital Securities</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)
<b>Fiscal Agent, Principal Paying and Transfer Agent</b>	Deutsche Bank AG, London Branch
<b>Registrar and Paying Agent</b>	Deutsche Bank Luxembourg S.A.
<b>Registrar, Transfer Agent and Paying Agent</b>	Deutsche Bank Trust Company Americas
<b>Listing Agent and Paying Agent</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities)
<b>Agent Bank</b>	Deutsche Bank AG, London Branch
<b>Maturity Date</b>	The New Capital Securities are perpetual securities and have no scheduled maturity date.
<b>Issue Date</b>	June 18, 2009
<b>Interest</b>	From (and including the Issue Date to (but excluding) the First Call Date, the New Capital Securities will bear interest at a rate of 11.0% per annum payable semi-annually in arrear. From (and including) the First Call Date, the New Capital Securities will bear interest at a rate of three-month U.S. dollar LIBOR plus 10.868%, payable quarterly in arrear, as more fully described under Condition 5.
<b>Interest Payment Dates</b>	Except as described below, from (and including) June 4, 2009 to (but excluding) the First Call Date, interest will be payable on 30 June and 31 December in each year commencing on December 31, 2009 (long first period). From (and including) the First Call Date, interest will be payable on 31 March, 30 June, 30 September and 31 December in each year.
<b>Ranking</b>	<p>The payment obligations under the New Capital Securities constitute unsecured obligations of the Issuer and shall, in the case of (a) the bankruptcy of the Issuer; (b) a Moratorium; or (c) dissolution (<i>ontbinding</i>) of the Issuer, rank:</p> <ul style="list-style-type: none"><li>(i) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under any guarantee or contractual right that effectively ranks <i>pari passu</i> with, or junior to, the Issuer's obligations under the New Capital Securities (including, without limitation, the Existing Capital Securities and the Junior Member Certificates Related Agreements));</li><li>(ii) <i>pari passu</i> (a) with the Issuer's obligations under the guarantees and contingent guarantees in relation to the</li></ul>



Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI and the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI, (b) with the Issuer's obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares of the Issuer; and

- (iii) senior to the Issuer's obligations under the Junior Member Certificates Related Agreements and any other instruments ranking *pari passu* with the Junior Member Certificates Related Agreements (in accordance with, and by virtue of, the subordination provisions of, the Junior Member Certificates Related Agreements) and any other instruments ranking *pari passu* therewith.

By virtue of such subordination, payments to the Holders will, in the case of the bankruptcy or dissolution of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to the New Capital Securities have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Holder by the Issuer under or in connection with such New Capital Security shall be excluded and each Holder shall, by virtue of being the Holder of any New Capital Security, be deemed to have waived all such rights of set-off.

#### **Required Interest**

The Issuer will be required to pay interest on the New Capital Securities, unless payment thereof is prohibited, as follows:

**(1) In full**

- (i) The payment of Interest will be required in full for Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or immediately follows the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends or other distributions annually or semi-annually, if any (other than any Group Declarations and any Excluded Declarations).
- (ii) The payment of Interest will be required in full for Interest Periods covering six consecutive months

commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group exchanges or converts, redeems, repurchases or otherwise acquires (w) a Parity Share, (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument, for any consideration, or any moneys are paid to or made available for a sinking fund, or for redemption of any such securities (other than (i) any redemption, repurchase or other acquisition of such share capital or other instrument held by any member of the Rabobank Group and any payments in connection therewith by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank, (ii) as a result of a reclassification of the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group or the exchange or conversion of one class or series of such share capital for another class or series of such share capital or (iii) the purchase of fractional interests in the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged).

**(2) Fractional or in full**

The payment of Interest will be required in full or in part on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment (other than any Group Declarations and any Excluded Declarations) with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends on a basis other than annually or semi-annually, if any, at an amount equal to the Interest Amount on the New Capital Securities for the related Interest Period, multiplied by a fraction, the numerator of which is the number of days in the dividend,

distribution or payment period applicable to the payment on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument and the denominator of which is the number of days in the related Interest Period; provided, however, that, if the dividends, distributions or payments on any Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument that triggers the requirement to pay Interest on the New Capital Securities as provided by Condition 6(b) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the New Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or immediately after the date on which the dividend, distribution or payment is declared or made on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument;

(3) **Pro rata to Parity Shares**

The payment of Interest will be required:

- (i) for Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends annually or semi-annually, if any (other than any Excluded Declarations); and
- (ii) on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends on a basis other than annually or semi-annually, if any (other than any Excluded Declarations);

provided that in the event that Interest on the New Capital Securities is payable (or deemed to be payable) as provided under Condition 6(c), such Interest shall be payable (or deemed to be payable) in the same proportion that the declaration or payment on such Parity Share bears to the stated annual or semi-annual dividends, distributions or payments to be declared and paid on such Parity Share. If the dividend, distribution or payment on any such Parity Share that triggers the requirement to pay Interest on the New Capital Securities as provided by Condition 6(c) is

made, but not with respect to a specified dividend, distribution or payment period, full Interest on the New Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or first following the date on which the dividend, distribution or payment is declared or made on such Parity Share.

#### **Prohibited and Discretionary Interest**

##### ***Prohibited Interest***

Notwithstanding the provisions set out in “Required Interest” above, the Issuer shall not pay the Interest due on an Interest Payment Date to the extent that applicable Solvency Rules prohibit the Issuer, any Local Rabobank or any other member of the Rabobank Group from declaring or paying dividends or distributions or making other payments on the New Capital Securities or any Parity Share or any of their other respective instruments which effectively rank *pari passu* with any Parity Share on such Interest Payment Date. In such case and to such extent there will be no Required Interest.

##### ***Discretionary Interest***

Any Interest that is neither Required Interest nor Prohibited Interest shall be payable on the relevant Interest Payment Date at the sole discretion of the Issuer, subject to the approval of the Dutch Central Bank, if required.

Any Prohibited Interest or Discretionary Interest not paid on any relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.

#### **Optional Redemption**

Subject to certain conditions, as more particularly set out in Condition 8(b), the Issuer may elect to redeem all, but not some only, of the New Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.

Unless the New Capital Securities have previously been redeemed or purchased and cancelled, the Issuer undertakes to exercise its option to redeem the New Capital Securities on the Conditional Call Exercise Date (being the first Interest Payment Date falling on or after June 30, 2039 on which (i) all Interest is Required Interest and (ii) the Issuer has previously raised (or caused to be raised by a member of the Rabobank Group) the amount of net proceeds which the Issuer determines (at any time prior to such date in its sole discretion but in consultation with the Dutch Central Bank, as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the New Capital Securities (as more particularly set out in Condition 8(c) )).

<b>Tax Law Change</b>	<p>If as a result of a Tax Law Change:</p> <ul style="list-style-type: none"> <li>(i) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts with respect to payments on the New Capital Securities; or</li> <li>(ii) Interest payable on the New Capital Securities when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes,</li> </ul> <p>then the Issuer may, at any time prior to the First Call Date redeem all, but not some only, of the New Capital Securities at their Redemption Price or their Make Whole Redemption Price, as the case may be, on the relevant date fixed for redemption as more particularly set out in Condition 8(d).</p>
<b>Withholding Tax and Additional Amounts</b>	<p>The Issuer will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the New Capital Securities, after withholding for any taxes imposed by tax authorities in the Netherlands upon payments made by or on behalf of the Issuer in respect of the New Capital Securities, will equal the amount which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as more particularly set out in Condition 11.</p>
<b>Capital Event</b>	<p>If a Capital Event has occurred and is continuing, then the Issuer may, at any time prior to the First Call Date redeem all, but not some only, of the New Capital Securities at their Make Whole Redemption Price, on the relevant date fixed for redemption, as more particularly set out in Condition 8(e).</p>
<b>Listing</b>	<p>Application has been made to list the New Capital Securities on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. It is expected that admission to listing will become effective and dealings are expected to commence on June 18, 2009.</p>
<b>Governing Law</b>	<p>The New Capital Securities will be governed by, and construed in accordance with, the laws of the Netherlands.</p>
<b>Form</b>	<p>Registered. The New Capital Securities issued in reliance on Regulation S will be represented by interests in the Regulation S Global Capital Security Certificate. The New Capital Securities issued in reliance on Rule 144A will be represented by the Rule 144A Global Capital Security Certificate. The Global Capital Security Certificates will be exchangeable for Definitive Capital Securities only in the limited circumstances specified in the Global Capital Security Certificates.</p>
<b>Denomination</b>	<p>U.S.\$75,000 and integral multiples of U.S.\$1,000 in excess thereof.</p>
<b>Clearing and Settlement</b>	<p>The New Capital Securities have been accepted for clearance through the facilities of each of The Depository Trust Company</p>

<b>Rating</b>	<p>and Euroclear and Clearstream, Luxembourg.</p> <p>The New Capital Securities are expected to be assigned on issue a rating of “Aa2” by Moody’s Investors Service Inc., “AA-” by Standard &amp; Poor’s Rating Services, a Division of The McGraw-Hill Companies, Inc. and “AA” by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Risk Factors</b>	<p>Prospective investors should carefully consider the information incorporated by reference in this document.</p> <p>The Issuer considers that, <i>inter alia</i>, the following factors may affect its ability to fulfil its obligations under the New Capital Securities, as more particularly set out in “Risk Factors”:</p> <ul style="list-style-type: none"> <li>• Business and general economic conditions;</li> <li>• Credit risk;</li> <li>• Bad debt costs/average private sector lending ratio;</li> <li>• Country risk;</li> <li>• Interest rate risk;</li> <li>• Funding and liquidity risk;</li> <li>• Market risk;</li> <li>• Currency risk;</li> <li>• Operational risk;</li> <li>• Legal risk;</li> <li>• Tax risk; and</li> <li>• Effect of governmental policy and regulation.</li> </ul> <p>In addition, the following factors, <i>inter alia</i>, are material for the purpose of assessing the market risks associated with the New Capital Securities, as more particularly set out in “Risk Factors”:</p> <ul style="list-style-type: none"> <li>• Risks relating to the New Capital Securities being subordinated obligations of the Issuer;</li> <li>• Risks relating to the New Capital Securities being subject to certain restrictions on the payment of interest;</li> <li>• Risks relating to the New Capital Securities having no scheduled repayment date and Holders having restricted ability to require redemption of the Capital Securities; and</li> <li>• Risks relating to the Conditions permitting defined majorities to bind all Holders of New Capital Securities at meetings of such Holders.</li> </ul>
<b>Use of Proceeds</b>	<p>There will be no proceeds from the New Capital Securities.</p>

**Security Codes*****For the Rule 144A Global Capital Security Certificate:***

CUSIP: 749770AQ6

ISIN: US749770AQ67

Common Code: 043198416

***For the Regulation S Global Capital Security Certificate:***

ISIN: XS0431744282

Common Code: 043174428

## **RISK FACTORS**

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

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

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

*Prospective investors should have regard to the factors described under the section headed “Risk Factors” in the prospectus dated June 4, 2009 in relation to the listing of the Original Capital Securities incorporated by reference in this Prospectus.*



## **IMPORTANT INFORMATION**

### **Responsibility Statement**

This Prospectus comprises a prospectus for the purposes of the Prospectus Directive and the Dutch securities laws. Rabobank Nederland, having taken all reasonable care to ensure that such is the case, confirms that, to the best of its knowledge, the information contained in this Prospectus with respect to the Rabobank Group and the New Capital Securities or otherwise is in accordance with the facts and does not omit anything likely to affect the import of such information. Rabobank Nederland accepts responsibility accordingly.

### **Documents incorporated by reference**

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and which have been filed with the AFM:

- (a) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2006 (together with the audit reports thereon and explanatory notes thereto);
- (b) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2007 (together with the audit reports thereon and explanatory notes thereto);
- (c) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2008 (together with the audit reports thereon and explanatory notes thereto);
- (d) the “Historical Financial Information” section from the Issuer’s Euro 110,000,000,000 Global Medium-Term Note Programme Offering Circular dated May 8, 2009, on pages F-72 to F-84 (inclusive); and
- (e) the following sections contained in the prospectus dated June 4, 2009 in relation to the listing of the Original Capital Securities: “Risk Factors”, “Description of Business of the Rabobank Group”, “The Rabobank Group Structure”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Selected Financial Information”, “Risk Management”, “Governance of the Rabobank Group”, “Regulation of the Rabobank Group” and “Capitalisation of the Rabobank Group”.

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, upon the request of such person, a copy of any or all 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. Requests for such documents should be directed to Rabobank Nederland at its office set out at the end of this Prospectus. In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabo Securities (as Euronext Amsterdam Listing Agent).

## **Presentation of financial information**

The audited consolidated financial statements for the years ended December 31, 2006, December 31, 2007 and December 31, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU pursuant to EU Regulation No 1606/2002.

### ***Change in accounting policies***

As a result of changes in accounting policies and presentation, certain figures for the Rabobank Group as at and for the year ended December 31, 2007 in this Prospectus have been restated. Actuarial gains or losses from adjustments to actual developments and modified actuarial assumptions are recognised using the corridor method. Insofar as unrecognised cumulative actuarial gains or losses exceed 10% of the higher of the present value of the gross obligation under the defined benefit plan or the fair value of the fund, such excess, as from January 1, 2008, is taken to profit or loss, spread over two years. Up until 2008, actuarial gains and losses were recognised over the expected average remaining years of service of the employees participating in the plan. The comparative figures have been restated accordingly and the positive effect on profit (after tax) and equity for 2007 amounted to € 34 million. The initial capital for 2007 was not affected. Furthermore, in 2007, € 477 million in value adjustments of available-for-sale financial assets was transferred to “Net income from financial assets and liabilities at fair value through profit and loss”. Insofar as there were other reclassifications, the comparative figures have been restated. See Note 2 to the consolidated financial statements for the Rabobank Group for the year ended December 31, 2008.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Rabobank Group's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Rabobank Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Rabobank Group's present and future business strategies and the environment in which the Rabobank Group will operate in the future. Among the important factors that could cause the Rabobank Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the competitive nature of the banking business in the Netherlands; credit and other risks of lending; volatility in Dutch and international equity markets; government regulation and tax matters; the outcome of legal or regulatory disputes and proceedings; and changes in Dutch economic conditions, political events, interest rates, exchange rates and inflation. These forward-looking statements speak only as of their dates. The Rabobank Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Rabobank Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The foregoing paragraph applies to those forward-looking statements which are both set out in this Prospectus and which are incorporated by reference herein. See "Important Information – Documents Incorporated by Reference".

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following, save for the paragraphs in italics, is the text of the Terms and Conditions of the New Capital Securities which, upon issue, will be the Terms and Conditions applicable to all Capital Securities.*

The issue of the Capital Securities of the Issuer has been authorised by a resolution of the Executive Board passed on February 17, 2009. The Agency Agreement was entered into in respect of the Capital Securities on June 4, 2009, and will be supplemented by a Supplemental Agency Agreement to be entered into on June 18, 2009, and is available for inspection during usual business hours at the specified offices of each of the Paying Agents and the Registrar.

### 1 Definitions

In these Conditions:

“**Additional Amounts**” means such additional amounts as may be necessary so that the net amount received by the Holders, after the relevant withholding or deduction of any Relevant Tax, will equal the amount which would have been received in respect of the Capital Securities in the absence of such withholding or deduction;

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

“**Agency Agreement**” means the fiscal agency agreement dated June 4, 2009 entered into between the Issuer, the Fiscal Agent, the Registrar, the Transfer Agent, the Paying Agents and the Agent Bank, as supplemented by the Supplemental Fiscal Agency Agreement dated June 18, 2009 entered into between the Issuer, the Fiscal Agent, the Registrar, the Transfer Agent, the Paying Agents and the Agent Bank;

“**Agent Bank**” means the agent bank for the time being in respect of the Capital Securities appointed from time to time under the Agency Agreement;

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

“**Bank Instrument**” means any share capital or other instrument of the Issuer;

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

“**Calculation Amount**” means U.S.\$1,000 in principal amount;

“**Call Exercise Determination Date**” means each date which is 60 calendar days prior to an Interest Payment Date falling on or after June 30, 2039;

“**Capital Bank Guarantee**” means any guarantee issued by the Issuer of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks senior to a Parity Bank Guarantee;

A “**Capital Event**” is deemed to have occurred if the Issuer is notified in writing by the Dutch Central Bank to the effect that the Capital Securities may not be included in the consolidated Tier 1 Capital of Rabobank Group;

“**Capital Local Rabobank Guarantee**” means any guarantee issued by any Local Rabobank of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which

qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks senior to a Parity Local Rabobank Guarantee;

“**Capital Securities**” means the U.S.\$2,871,909,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities, which expression shall, unless the context otherwise requires, include any further instruments issued pursuant to Condition 16 and forming a single series with the Capital Securities;

“**Certificate**” means the certificate representing a Holder’s registered holding of the Rule 144A Global Capital Security or the Regulation S Global Capital Security, as the case may be;

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*;

“**Conditional Call Exercise Date**” means the first Interest Payment Date falling on or after June 30, 2039 on which all of the Conditional Call Exercise Requirements are satisfied;

“**Conditional Call Exercise Requirements**” shall be deemed to be satisfied as at an Interest Payment Date falling on or after June 30, 2039 if (a) Interest on such date is Required Interest and (b) the Issuer (or any member of the Rabobank Group) has raised the Replacement Capital Amount, if any, on or before such date;

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

“**Day-count Fraction**” means (i) in respect of an Interest Amount payable on or prior to the First Call Date on a scheduled Interest Payment Date, one-half, (ii) in respect of an Interest Amount payable on the first scheduled Interest Payment Date or on or prior to the First Call Date (other than on a scheduled Interest Payment Date), the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (iii) in respect of an Interest Amount payable after the First Call Date, the actual number of days elapsed in the relevant period divided by 360;

“**Discretionary Interest**” means Interest that the Issuer may pay at its discretion in accordance with Condition 7(b);

“**DTC**” means The Depository Trust Company;

“**Dutch Central Bank**” means De Nederlandsche Bank N.V., or such other governmental authority in the Netherlands having primary supervisory authority with respect to the Group;

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Euronext Amsterdam**” means Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V.;

“**Event of Default**” means, any of the following events:

- (i) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Capital Securities; or
- (ii) the Issuer becomes bankrupt, an administrator is appointed, or an order is made or an effective resolution is passed for the winding-up, liquidation or administration of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of Holders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Art 3:160 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, in respect of the Issuer;

**“Excluded Declarations”** means any declarations or payments by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank;

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

**“Existing Capital Securities”** means the NZ\$ Perpetual Noncumulative Capital Securities issued on October 8, 2007, the U.S.\$ Perpetual Noncumulative Capital Securities issued on October 22, 2007, the U.S.\$ Perpetual Noncumulative Capital Securities issued on June 6, 2008, the £ Perpetual Noncumulative Capital Securities issued on June 10, 2008, the CHF Perpetual Noncumulative Capital Securities issued on June 27, 2008, the ILS Inflation Linked Perpetual Noncumulative Capital Securities issued on July 14, 2008, the U.S.\$ Perpetual Noncumulative Securities issued on September 24, 2008, the € Fixed to Floating Rate Perpetual Noncumulative Capital Securities issued on February 27, 2009, and the NZ\$ Perpetual Noncumulative Capital Securities issued on May 27, 2009;

**“Extraordinary Resolution”** means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75% of the votes cast;

**“First Call Date”** means June 30, 2019;

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

**“Fixed Rate”** means a rate of 11.0% per annum;

**“Fixed Rate Interest Payment Date”** means 30 June and 31 December in each year, commencing on December 31, 2009, in respect of the first Fixed Rate Interest Period, and ending on the First Call Date;

**“Fixed Rate Interest Period”** means the period from (and including) the Issue Date to (but excluding) the first Fixed Rate Interest Payment Date (long first period) and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date;

**“Floating Rate”** means three-month U.S. dollar LIBOR, plus 10.868%, determined in accordance with Condition 5(d);

**“Floating Rate Interest Payment Date”** means 31 March, 30 June, 30 September, 31 December in each year, commencing after the First Call Date, provided that, if any Floating Rate Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless it would thereby fall in the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day;

**“Floating Rate Interest Period”** means the period from (and including) the First Call Date to (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date;

**“Group Declarations”** means, in relation to any Parity Share, Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument, any declaration or payments with respect to such share capital or other instrument held by any member of the Rabobank Group;

**“Holder”** means the person in whose name a Capital Security is registered in the Register;

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

**“Interest Amount”** means the amount of Interest payable per Calculation Amount in respect of the relevant Interest Period or Interest Periods, as calculated by the Fiscal Agent;

**“Interest Determination Date”** means, in relation to each Floating Rate Interest Period, the first Business Day of the relevant Floating Rate Interest Period;

**“Interest Payment Date”** means any Fixed Rate Interest Payment Date and/or Floating Rate Interest Payment Date;

**“Interest Period”** means any Fixed Rate Interest Period and/or Floating Rate Interest Period;

**“Interest Rate”** means the Fixed Rate and/or the Floating Rate;

**“Issue Date”** means June 4, 2009;

**“Issuer”** means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland);

**“Junior Group Member Instrument”** means any share capital or other instrument of any other member of the Rabobank Group which (i) qualifies as consolidated Tier 1 Capital for the Rabobank Group, (ii) effectively ranks junior to the most senior preferred equity securities or preferred or preference shares of such member and is guaranteed by the Issuer or any Local Rabobank and which guarantee effectively ranks junior to a Parity Bank Share, in the case of the Issuer, or Parity Local Rabobank Share, in the case of a Local Rabobank (as well as the Member Certificates (*ledencertificaten*), issued by Stichting AK Rabobank Ledencertificaten representing depositary receipts of shares issued by Rabobank Ledencertificaten N.V.);

**“Junior Member Certificates Related Agreements”** means the junior subordinated loan agreements between the Issuer and Rabobank Ledencertificaten N.V., dated 30 December 2008 (and including any similar junior subordinated loan agreements subsequently entered into between the parties referred to above in addition to the existing subordinated loan agreements) and the agreements regarding certain obligations of the Issuer between the Issuer and Stichting Buffer Rabobank Ledencertificaten and Stichting Buffer Rabobank Ledencertificaten II and Stichting Buffer Rabobank Ledencertificaten III, dated 30 December 2008, relating to the Member Certificates (*ledencertificaten*) issued by Stichting AK Rabobank Ledencertificaten representing depositary receipts of shares issued by Rabobank Ledencertificaten N.V.;

**“Local Rabobank”** means any of the Issuer’s local member banks;

**“Local Rabobank Instrument”** means any share capital or other instrument of any Local Rabobank which qualifies as consolidated Tier 1 Capital for the Rabobank Group;

**“Make Whole Redemption Price”** means, in respect of each Capital Security, (a) the principal amount of such Capital Security or, if this is higher, (b) the amount equal to the sum of the present value of the principal amount of such Capital Security, together with the present values of the scheduled Interest payments (assuming for this purpose the relevant Interest payments are neither Prohibited Interest nor unpaid Discretionary Interest) from the relevant date fixed for redemption to the First Call Date, in each case, discounted to such redemption date on a semi-annual compounded basis at the adjusted U.S. Treasury Rate plus 1.00%, all as determined by the Agent Bank. For the purposes hereof, **“U.S. Treasury Rate”** means either (i) the rate per annum equal to the yield, under the heading that represents the average for the week immediately preceding the third Business Day prior to the relevant redemption date, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the First Call Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the U.S. Treasury Rate shall be interpolated or

extrapolated from such yields on a straight-line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the third Business Day prior to the relevant date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant date fixed for redemption, in each case calculated on the third Business Day immediately preceding the relevant date fixed for redemption. For the purposes of this definition of Make Whole Redemption Price:

**“Comparable Treasury Issue”** means the United States Treasury selected by the Agent Bank as having a maturity comparable to the remaining term of the Capital Securities from the relevant date fixed for redemption to the First Call Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the First Call Date;

**“Comparable Treasury Price”** means, with respect to any redemption date, the average of three, or such lesser number as is obtained by the Agent Bank, Reference Treasury Dealer Quotations for the relevant date fixed for redemption of the Capital Securities;

**“Reference Treasury Dealer”** means each of the three nationally recognised firms selected by the Agent Bank that are primary U.S. Government securities dealers;

**“Reference Treasury Dealer Quotations”** means, with respect to each Reference Treasury Dealer and any date fixed for redemption of the Capital Securities, the average, as determined by the Agent Bank, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Agent Bank by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day immediately preceding such due date for redemption;

**“Market Disruption Event”** means the occurrence or existence of any of the following events or circumstances:

- (i) trading in securities generally on any national securities exchange or over-the-counter market on which any Parity Bank Share or other securities and instruments of the Issuer which effectively rank *pari passu* with or junior to the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing) are then listed or traded shall have been suspended or their settlement generally shall have been materially disrupted;
- (ii) a banking moratorium shall have been declared by the relevant authorities in the Netherlands; or
- (iii) the Issuer would be required to obtain the consent or approval of its members or a regulatory body or governmental authority to issue Qualifying Securities and the Issuer fails, notwithstanding its commercially reasonable efforts, to obtain that consent or approval,

provided that a “Market Disruption Event” will not have occurred nor be deemed to have occurred if the Issuer determines not to pursue or complete the issuance of Qualifying Securities due to pricing, distribution rate or dilution considerations;

**“Moratorium”** means a situation in which an “emergency regulation” (*noodregeling*) as contemplated in Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, is applicable to the Issuer;

**“Outstanding Payments”** means, in relation to any amounts payable on redemption or repayment of the Capital Securities, an amount representing accrued and unpaid Interest for the Interest Period during which



redemption or repayment occurs to the date of redemption or repayment plus Additional Amounts thereon, if any;

**“Parity Bank Guarantee”** means a guarantee issued by the Issuer of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks:

- (i) subordinate and junior to indebtedness of the Issuer (other than the Issuer’s obligations under (a) the Capital Securities, (b) any guarantee or contractual right effectively ranking *pari passu* with the Issuer’s obligations under the Capital Securities (including, for the avoidance of doubt, the Existing Capital Securities and the guarantees and contingent guarantees in relation to (i) the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI, and (ii) the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI) and (c) any guarantee or contractual right effectively ranking junior to the Issuer’s obligations under the Capital Securities (including, without limitation, the Junior Member Certificates Related Agreements));
- (ii) *pari passu* with the Capital Securities, the Existing Capital Securities and the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing); and
- (iii) senior to any other share capital of the Issuer not described in paragraph (i)(A) of the definition of “Parity Bank Share” or paragraph (ii) of this definition;

**“Parity Bank Share”** means:

- (i)
  - (A) the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing);
  - (B) any Bank Instrument which effectively ranks:
    - (1) subordinate and junior to indebtedness of the Issuer (other than the Issuer’s obligations under (a) the Capital Securities, (b) any guarantee or contractual right effectively ranking *pari passu* with the Issuer’s obligations under the Capital Securities (including, for the avoidance of doubt, the Existing Capital Securities and the guarantees and contingent guarantees in relation to (i) the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI, and (ii) the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI); and (c) any guarantee or contractual right effectively ranking junior to the Issuer’s obligations under the Capital Securities (including, without limitation, the Junior Member Certificates Related Agreements));
    - (2) *pari passu* with the Capital Securities, the Existing Capital Securities and the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing); and
    - (3) senior to any other share capital of the Issuer not described in paragraph (A) or (B)(2) of this definition;

and

- (C) any Parity Bank Guarantee;

and

- (ii) any preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which are guaranteed by the Issuer under a Parity Bank Guarantee or a Capital Bank Guarantee;

**“Parity Local Rabobank Guarantee”** means any guarantee issued by any Local Rabobank of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks:

- (i) subordinate and junior to indebtedness of such Local Rabobank;
- (ii) *pari passu* with the most senior ranking preferred equity securities or preferred or preference shares of such Local Rabobank (if and when existing); and
- (iii) senior to any other share capital of such Local Rabobank not described in paragraph (i)(A) of the definition of “Parity Local Rabobank Share” or paragraph (ii) of this definition (if and when existing);

**“Parity Local Rabobank Share”** means:

- (i)
  - (A) the most senior ranking preferred equity securities or preferred or preference shares of any Local Rabobank (if and when existing);
  - (B) any Local Rabobank Instrument which effectively ranks:
    - (1) subordinate and junior to indebtedness of such Local Rabobank;
    - (2) *pari passu* with the most senior ranking preferred equity securities or preferred or preference shares of such Local Rabobank (if and when existing); and
    - (3) senior to any other share capital of such Local Rabobank not described in paragraph (A) or (B)(2) of this definition (if and when existing); and
  - (C) any Parity Local Rabobank Guarantee; and
- (ii) any preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which are guaranteed by any Local Rabobank under a Parity Local Rabobank Guarantee or Capital Local Rabobank Guarantee;

**“Parity Share”** means (i) any Parity Bank Share and (ii) any Parity Local Rabobank Share; provided, however, that “Parity Share” shall not include any Parity Bank Share or Parity Local Rabobank Share which (a) is held by, or on which payments are made to, any member of the Rabobank Group or (b) is accounted for as a financial liability in accordance with the generally accepted accounting standards applicable to the Rabobank Group from time to time;

**“Paying Agents”** means Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A., Deutsche Bank Trust Company Americas and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities) in their capacity as paying agents, which expression includes any successor and additional paying agents appointed from time to time in connection with the Capital Securities;

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

**“Prohibited Interest”** means Interest that the Issuer is prohibited from paying in accordance with Condition 7(a);

**“Qualifying Securities”** means securities of the Issuer or any member of the Rabobank Group that qualify as consolidated Tier 1 Capital of the Rabobank Group under the Solvency Rules;

**“Rabobank Group”** means the Issuer together with its branches and consolidated subsidiaries and the Local Rabobanks;

**“Record Date”** means, in relation to any payment due on the Capital Securities, the date 15 calendar days prior to the date on which such payment is due;

**“Redemption Price”** means, in respect of each Capital Security, the principal amount thereof together with any Outstanding Payments;

**“Reference Banks”** means four major banks in the interbank market in London as selected by the Agent Bank, after consultation with the Issuer;

**“Register”** means the register in relation to the Capital Securities maintained by the Registrar in accordance with the Agency Agreement and these Conditions;

**“Registrar”** means Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas in its capacity as registrar, which expression shall include any successor thereto;

**“Regulation S Global Capital Security Certificate”** shall have the meaning set out in Condition 2;

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

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

**“Replacement Capital Amount”** means the amount of net proceeds, between zero and the aggregate Redemption Price of the Capital Securities (both inclusive), which the Issuer determines (at any time prior to a Conditional Call Exercise Date in its sole discretion but in consultation with the Dutch Central Bank as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the Capital Securities on or prior to their redemption;

**“Required Interest”** means Interest to the extent it is required to be paid by the Issuer in accordance with Condition 6;

**“Rule 144A Global Capital Security Certificate”** shall have the meaning set out in Condition 2;

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

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

**“Tier 1 Capital”** has the meaning given to such term from time to time by the Dutch Central Bank;

“**Transfer Agent**” means Deutsche Bank AG, London Branch and Deutsche Bank Trust Company Americas in their capacity as transfer agents, which expression includes any successor and additional transfer agents appointed from time to time in connection with the Capital Securities; and

“**U.S.\$**”, “**U.S. dollars**” or “**cent**” means the lawful currency of the United States of America.

## **2 Form, Denomination and Title**

### **(a) Form and Denomination**

The Capital Securities are serially numbered and in registered form in the denominations of U.S.\$75,000 and integral multiples of U.S.\$1,000 in excess thereof.

An individual Certificate will be issued to each Holder in respect of its registered holding of Capital Securities. Each Capital Security and each Certificate will have an identifying number which will be recorded on the relevant individual Certificate and in the Register.

Individual Certificates issued with respect to Rule 144A Capital Securities (a “**Rule 144A Capital Security Certificate**”) will bear a Rule 144A legend, unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Individual Certificates issued with respect to the Regulation S Capital Securities (a “**Regulation S Capital Security Certificate**”) will not bear a Rule 144A legend.

Upon issue, the Regulation S Capital Securities will be represented by a permanent Regulation S Global Capital Security certificate (the “**Regulation S Global Capital Security Certificate**”).

The Capital Securities issued in reliance on Rule 144A will be represented by a Rule 144A Global Capital Security certificate (the “**Rule 144A Global Capital Security Certificate**” and together with the Regulation S Global Capital Security Certificate, the “**Global Capital Security Certificates**”).

The Global Capital Security Certificates will be exchangeable for Definitive Capital Securities only in the limited circumstances specified in the Global Capital Security Certificates. The Regulation S Global Capital Security Certificate will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg and the Rule 144A Global Capital Security Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

Holders will not be entitled to receive physical delivery of individual Certificates in definitive form in respect of their individual holdings of Capital Securities except in the limited circumstances described in the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate.

### **(b) Title**

Title to the Capital Securities passes by transfer and registration as described in Condition 3. The Holder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes and no person will be liable for so treating the Holder. Neither the Issuer nor the Registrar shall be affected by any trust or equity affecting any Capital Securities, whether or not either of them is aware of the same.

### 3 Transfers

#### (a) *Transfer*

Subject to Condition 3(d), a Capital Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), at the specified office of the Registrar or Transfer Agent, together with such evidence as the Registrar or Transfer Agent may reasonably require to provide the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Capital Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the part transferred will be issued to the transferee and a new Certificate in respect of the part not transferred will be issued to the transferor.

Upon the transfer, exchange or replacement of a Rule 144A Global Capital Security Certificate, a Transfer Agent will only deliver individual Certificates with respect to Rule 144A Capital Securities that bear the Rule 144A legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer, that neither the Rule 144A legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

An interest in Capital Securities represented by the Regulation S Global Capital Security Certificate may be transferred to a person within the United States subject to any applicable transfer restrictions under the Securities Act. Any transfer of an interest in the Regulation S Global Capital Security Certificate prior to the expiration of the 40-day “distribution compliance period” (as such term is defined in Rule 902 of Regulation S) shall only be (a) to a non-U.S. person (and not acting for the account or benefit of a U.S. person) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) in accordance with Rule 144A under the Securities Act (“**Rule 144A**”) to a person that it and any person acting on its behalf reasonably believe is a “qualified institutional buyer” as defined in Rule 144A (“**QIB**”) purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any State of the United States.

*Interests in Capital Securities represented by the Rule 144A Global Capital Security Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Capital Securities represented by the Regulation S Global Capital Security Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available).*

#### (b) *Registration and Delivery of Certificates*

Within three business days of the surrender of a form of transfer and a Certificate in accordance with Condition 3(a), the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Capital Securities transferred to each relevant Holder or (as the case may be) the specified office of the Registrar or Transfer Agent or (at the request and risk of such relevant Holder) by uninsured first-class mail (airmail, if overseas) to the address specified for the purpose by such relevant Holder, unless such Holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or insurance as it may specify. In this paragraph, “business day” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the Transfer Agent has its specified office.

*Except in the limited circumstances described in “Summary of Provisions relating to the Capital Securities while in Global Form”, owners of interests in Capital Securities represented by the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate will not be entitled to receive physical delivery of individual Certificates. Issues of individual Certificates upon transfers of Capital Securities are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Capital Security Certificates, compliance with the Rule 144A legend.*

**(c) No Charge**

The transfer of a Capital Security will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but against such indemnity as the Registrar or the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

**(d) Closed Periods**

Holders may not require transfers to be registered (i) during the period of 15 calendar days ending on (and including) the due date for redemption of the Capital Securities pursuant to Condition 8 or (ii) during the period of 15 calendar days ending on (and including) any Record Date in respect of any payment of Interest on the Capital Securities.

**(e) Regulations concerning Transfer and Registration**

All transfers of Capital Securities and entries in the Register are subject to the detailed regulations concerning the transfer of Capital Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar and/or the Transfer Agent to any Holder who requests in writing a copy of such regulations.

## **4 Status and Subordination**

**(a) Status**

The Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 4(b).

**(b) Subordination**

Subject to exceptions provided by mandatory applicable law, the payment obligations under the Capital Securities constitute unsecured obligations of the Issuer and shall, in the case of (a) the bankruptcy of the Issuer; (b) a Moratorium; or (c) dissolution (*ontbinding*) of the Issuer, rank:

- (i) subordinate and junior to indebtedness of the Issuer (other than the Issuer’s obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer’s obligations under the Capital Securities (including, without limitation, the Existing Capital Securities and the Junior Member Certificates Related Agreements));
- (ii) *pari passu* (a) with the Issuer’s obligations under the guarantees and contingent guarantees in relation to the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI and the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI, (b) with the Issuer’s

obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares of the Issuer; and

- (iii) senior to the Issuer's obligations under the Junior Member Certificates Related Agreements and any other instruments ranking *pari passu* with the Junior Member Certificates Related Agreements (in accordance with, and by virtue of the subordination provisions of, the Junior Member Certificates Related Agreements) and any other instruments ranking *pari passu* therewith.

By virtue of such subordination, payments to the Holders will, in the case of the bankruptcy or dissolution of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to the Capital Securities have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Holder by the Issuer under or in connection with such Capital Security shall be excluded and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.

**(c) Other Issues**

So long as the Capital Securities are outstanding, the Issuer shall not:

- (a) issue any preferred equity securities or preferred or preference shares or debt or other securities, in each case that qualify as Tier 1 Capital of the Rabobank Group under the Solvency Rules; or
- (b) enter into any guarantee, support or other credit enhancement of any such issue by any other member of the Rabobank Group,

in each case if such issue or guarantee, support or other credit enhancement would rank ahead of the Capital Securities as to entitlement to distribution upon a bankruptcy or dissolution of the Issuer, or in the event of a Moratorium unless the Issuer amends the terms of the Capital Securities prior thereto such that the rights and claims of Holders would be entitled to rank equally with such new issue or guarantee, support or other credit enhancement upon a bankruptcy or dissolution of the Issuer, or in the event of a Moratorium.

In addition, so long as the Capital Securities are outstanding, the Issuer shall not:

- (i) permit (where such permission is required) or take any action to cause a Local Rabobank to issue any preferred equity securities or preferred or preference shares or debt or other securities, in each case that rank senior to any Parity Local Rabobank Share and qualify as Tier 1 Capital of the Rabobank Group under the Solvency Rules; or
- (ii) permit (where such permission is required) or take any action to cause a Local Rabobank to issue any guarantee, support or other credit enhancement ranking senior to any Parity Local Rabobank Guarantee of any such issue by any other member of the Rabobank Group.

## **5 Interest**

**(a) General**

The Capital Securities bear Interest at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.

Subject to Conditions 6 and 7, during the period commencing on (and including) the Issue Date and ending on (but excluding) the First Call Date, Interest shall be payable on the Capital Securities semi-annually in arrear in equal instalments on each Fixed Rate Interest Payment Date (save for Interest

payable on the first Fixed Rate Interest Payment Date) and thereafter shall be payable on the Capital Securities quarterly in arrear on each Floating Rate Interest Payment Date, in each case as provided in this Condition 5.

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

**(b) *Interest Accrual, Calculation and Rounding***

The Capital Securities will cease to bear Interest from (and including) the date of redemption thereof pursuant to Condition 8 unless payment of all amounts due in respect of the Capital Securities is not properly and duly made, in which event Interest shall continue to accrue on the Capital Securities, both before and after judgment, at the Interest Rate and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Interest in respect of any Capital Security shall be calculated per Calculation Amount and shall be equal to the product of the Calculation Amount, the relevant Interest Rate and the relevant Day-count Fraction for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

**(c) *Fixed Interest Rate***

From (and including) the Issue Date to (but excluding) the First Call Date, the Capital Securities bear interest at the Fixed Rate and will be payable semi-annually in arrear on each Fixed Rate Interest Payment Date.

If any Fixed Rate Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.

**(d) *Floating Interest Rate***

For each Floating Rate Interest Period, the Capital Securities will bear interest at the relevant Floating Rate and will be payable quarterly in arrear on each Floating Rate Interest Payment Date. The relevant Floating Rate in respect of each Floating Rate Interest Period commencing on or after the First Call Date will be determined by the Agent Bank on the basis of the following provisions:

- (i) On each Interest Determination Date, the Agent Bank will determine the offered rate (expressed as a rate per annum) for three-month deposits in U.S. dollars as at 11:00a.m. hours (London time) on such Interest Determination Date, as displayed on the display designated as page "LIBOR01" on the Reuters Monitor Money Rates Service (or such other page or pages as may replace it for the purpose of displaying such information). The Floating Rate for the relevant Floating Rate Interest Period shall be such offered rate as determined by the Agent Bank plus 10.868%.
- (ii) If such offered rate does not so appear, or if the relevant page is unavailable, the Agent Bank will, on such date, request the principal London office of the Reference Banks to provide the Agent Bank with its offered quotation to leading banks in the London interbank market for three-month deposits in U.S. dollars as at 11:00a.m. hours (New York City time) on the Interest Determination Date in question. If at least two of the Reference Banks provide the Agent Bank with such offered quotations, the Floating Rate for the relevant Floating Rate Interest Period shall be the rate determined by the Agent Bank to be the arithmetic mean (rounded if necessary



to the nearest one-hundred thousandth of a percentage point (0.000005% being rounded upwards)) of such offered quotations plus 10.868%

- (iii) If on any Interest Determination Date to which the provisions of paragraph (ii) above apply, one only or none of the Reference Banks provides the Agent Bank with such a quotation, the Floating Rate for the relevant Floating Rate Interest Period shall be the rate which the Agent Bank determines to be the aggregate of 10.868% and the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point (0.000005% being rounded upwards)) of the U.S. dollar lending rates which leading banks in London selected by the Agent Bank are quoting, on the relevant Interest Determination Date, to leading banks in London for a period of three months, except that, if the banks so selected by the Agent Bank are not quoting as mentioned above, the Floating Rate for such Interest Period shall be either (1) the Floating Rate in effect for the last preceding Interest Period to which one of the preceding paragraphs of this Condition 5(d) shall have applied or (2) if none, 10.868% per annum above the Fixed Rate.

**(e) *Determination of Floating Rate and Calculation of Floating Interest Amounts***

The Agent Bank will, as soon as practicable after 11:00 a.m. hours (London time) on each Interest Determination Date, determine the Floating Rate in respect of the relevant Floating Interest Period and calculate the amount of interest payable in respect of a Calculation Amount on the Floating Interest Payment Date for that Floating Interest Period (the “**Floating Interest Amounts**”).

**(f) *Publication of Floating Rate and Floating Interest Amounts***

The Issuer shall cause notice of the Floating Rate determined in accordance with this Condition 5 in respect of each relevant Floating Interest Period, the Floating Interest Amount per Calculation Amount and the relevant date scheduled for payment to be given to the Fiscal Agent, the Paying Agents and, in accordance with Condition 15, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

The Floating Interest Amount, the Floating Rate and the date scheduled for payment so notified may subsequently be amended without notice in the event of any extension or shortening of the relevant period in accordance with these Conditions.

**(g) *Agent Bank and Reference Banks***

With effect from the First Call Date, and so long as any Capital Securities remain outstanding thereafter, the Issuer will maintain an Agent Bank and the number of Reference Banks provided above where the Floating Rate is to be calculated by reference to them.

The Issuer may, from time to time, replace the Agent Bank or any Reference Bank with another leading investment, merchant or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Floating Rate in respect of any Floating Rate Interest Period as provided in Condition 5(d), or calculate the Floating Interest Amount or calculate the Make Whole Redemption Price (as applicable), the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in London to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

**(h) Determinations of Agent Bank Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 and Conditions 8(d) and 8(e) will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer, the Registrar, the Paying Agents and all Holders and (subject as aforesaid) no liability to the Holders, or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**6 Required Interest**

The Issuer shall pay Required Interest on the Capital Securities, unless payment thereof is prohibited under Condition 7, to the extent set out below:

**(a) In Full**

- (i) The payment of Interest will be required in full for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends or other distributions annually or semi-annually, if any (other than any Group Declarations and any Excluded Declarations).
- (ii) The payment of Interest will be required in full for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group exchanges or converts, redeems, repurchases or otherwise acquires (w) a Parity Share, (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument, for any consideration, or any moneys are paid to or made available for a sinking fund, or for redemption of any such securities (other than (i) any redemption, repurchase or other acquisition of such share capital or other instrument held by any member of the Rabobank Group and any payments in connection therewith by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank, (ii) as a result of a reclassification of the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group or the exchange or conversion of one class or series of such share capital for another class or series of such share capital or (iii) the purchase of fractional interests in the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged).

**(b) Fractional or in Full**

The payment of Interest will be required in full or in part on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment (other than any Group Declarations and any Excluded Declarations) with respect to (x) any Bank Instrument

which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends on a basis other than annually or semi-annually, if any, at an amount equal to the Interest Amount on the Capital Securities for the related Interest Period, multiplied by a fraction, the numerator of which is the number of days in the dividend, distribution or payment period applicable to the payment on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument and the denominator of which is the number of days in the related Interest Period; provided, however, that, if the dividends, distributions or payments on any Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument that triggers the requirement to pay Interest on the Capital Securities as provided by this Condition 6(b) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or immediately after the date on which the dividend, distribution or payment is declared or made on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument.

**(c) *Pro Rata with Parity Shares***

The payment of Interest will be required:

- (i) for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends annually or semi-annually, if any (other than any Excluded Declarations); and
- (ii) on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends on a basis other than annually or semi-annually, if any (other than any Excluded Declarations),

provided that, in the event that Interest on the Capital Securities is payable (or deemed to be payable) as provided in this Condition 6(c), such Interest shall be payable (or deemed to be payable) in the same proportion that the declaration or payment on such Parity Share bears to the stated annual or semi-annual dividends, distributions or payments to be declared and paid on such Parity Share. If the dividend, distribution or payment on any such Parity Share that triggers the requirement to pay Interest on the Capital Securities as provided by this Condition 6(c) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or first following the date on which the dividend, distribution or payment is declared or made on such Parity Share.

**(d) *Notification of Fractional or Pro Rata Payments***

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following any Interest Payment Date in respect of which Interest has been paid only in part pursuant to Condition 6(b) or proportionally pursuant to Condition 6(c), to such effect setting out brief details as to why the Interest has been paid in part or proportionally, as the case may be.

## **7 Prohibited and Discretionary Interest**

### **(a) *Prohibited Interest***

Notwithstanding Condition 6, the Issuer shall not pay the Interest due on an Interest Payment Date to the extent that applicable Solvency Rules prohibit the Issuer, any Local Rabobank or any other member of the Rabobank Group from declaring or paying dividends or distributions or making other payments on the Capital Securities or any Parity Share or any of their other respective instruments which effectively rank *pari passu* with any Parity Share on such Interest Payment Date (for example, as a result of the Issuer's BIS ratio (total capital) falling below the then applicable minimum requirement). In such case and to such extent there will be no Required Interest.

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following any declaration that Interest is Prohibited Interest pursuant to this Condition 7(a) or, where no such prior declaration is made, following any Interest Payment Date on which Interest was scheduled to be paid if such Interest is Prohibited Interest, to such effect setting out brief details as to why the Interest is Prohibited Interest.

Any Prohibited Interest not paid on the relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.

### **(b) *Discretionary Interest***

Any Interest that is neither Required Interest nor Prohibited Interest shall be payable on the relevant Interest Payment Date at the sole discretion of the Issuer, subject to the approval of the Dutch Central Bank, if required.

Any Discretionary Interest not paid on the relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following the relevant Interest Payment Date on which Interest was scheduled to be paid if such Interest is Discretionary Interest and the Issuer has exercised its discretion under this Condition 7(b) to not pay such Discretionary Interest, to such effect setting out brief details of such exercise.

## **8 Redemption and Purchase**

### **(a) *No Fixed Redemption Date***

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem them or purchase them in accordance with the following provisions of this Condition 8.

### **(b) *Conditions to Redemption and Purchase***

Any redemption or purchase of the Capital Securities in accordance with Condition 8(c), (d), (e) or (f) is subject to the Issuer (i) obtaining the prior written consent of the Dutch Central Bank, provided that at the relevant time such consent is required to be given; (ii) both at the time of, and immediately following, the redemption or purchase, being in compliance with its capital requirements as provided

in the Solvency Rules applicable to it from time to time (and a certificate from any two Authorised Signatories confirming such compliance shall be conclusive evidence of such compliance); and (iii) except in the case of any purchase of the Capital Securities in accordance with Condition 8(f), giving not less than 30 nor more than 60 calendar days' notice to the Holders, the Registrar, the Fiscal Agent and the Paying Agents, in accordance with Condition 15, which notice shall be irrevocable.

Prior to the publication of any notice of redemption pursuant to this Condition 8 (other than redemption pursuant to Condition 8(c)), the Issuer shall deliver to the Registrar a certificate signed by any two members of the Executive Board stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

**(c) *Issuer's Call Option***

Subject to the first paragraph of Condition 8(b), the Issuer may elect, in its sole discretion, to redeem all, but not some only, of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.

Unless the Capital Securities have previously been redeemed or purchased and cancelled in accordance with this Condition 8, the Issuer undertakes to exercise its option to redeem the Capital Securities on the Conditional Call Exercise Date (being the first Interest Payment Date falling on or after June 30, 2039 on which (i) all Interest is Required Interest and (ii) the Issuer has previously raised (or caused to be raised by a member of the Rabobank Group) the amount of net proceeds, between zero and the aggregate Redemption Price of the Capital Securities (both inclusive), which the Issuer determines (at any time prior to such date in its sole discretion but in consultation with the Dutch Central Bank, as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the Capital Securities (on or prior to their redemption) in accordance with the remaining provisions of this Condition 8(c).

If, by reference to the facts pertaining on a Call Exercise Determination Date:

- (I) any part of the Interest on the Interest Payment Date related thereto is not Required Interest, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Interest Payment Date;
- (II) all Interest on the Interest Payment Date related thereto is Required Interest and:
  - (A) the Replacement Capital Amount is zero, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Capital Securities will be redeemed on such Interest Payment Date at their Redemption Price; or
  - (B) the Replacement Capital Amount is greater than zero, the Issuer shall use its commercially reasonable efforts (except while a Market Disruption Event persists) to raise (or cause to be raised by a member of the Rabobank Group), at a minimum, the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements as of, and to permit payment of the Redemption Price in full on, such Interest Payment Date.

If the Replacement Capital Amount is greater than zero and is raised in full on or before the date falling 35 calendar days prior to such Interest Payment Date and Interest on such Interest Payment Date continues, by reference to the facts pertaining at such time,

to be Required Interest, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Capital Securities will be redeemed on such Interest Payment Date at their Redemption Price.

If the Replacement Capital Amount is greater than zero and is not raised in full on or before the date falling 35 calendar days prior to such Interest Payment Date, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice thereof to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15 and shall continue to use its commercially reasonable efforts (subject as aforesaid) to raise (or cause to be raised by a member of the Rabobank Group) the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements as of, and to permit redemption of the Capital Securities in full on, the next Interest Payment Date.

The Issuer shall continue the above procedure until the Capital Securities have been redeemed in full.

Interest on the Capital Securities shall, subject to the limitations thereon set out in Condition 7(a), continue to accrue at the relevant Interest Rate until the Capital Securities have been redeemed in full.

Subject to Condition 8(b), nothing in this Condition 8(c) shall prevent the Issuer from exercising its option to redeem the Capital Securities on the Interest Payment Date falling on or after June 30, 2039 or at any time thereafter, in its sole discretion in accordance with the first paragraph of this Condition 8(c) without regard to the Conditional Call Exercise Requirements.

**(d) *Redemption Due to Taxation***

If, as a result of a Tax Law Change:

- (i) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts with respect to payments on the Capital Securities; or
- (ii) Interest payable on the Capital Securities when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes,

then the Issuer may, subject to Condition 8(b), having delivered to the Registrar a copy of an opinion of an independent nationally recognised law firm or other tax adviser in the Netherlands experienced in such matters to the effect set out in (i) or, as applicable, (ii) above, and having given the notice required by Condition 8(b) specifying the date fixed for redemption, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Redemption Price in the case of any redemption arising from the events detailed in paragraph (i) above and at their Make Whole Redemption Price in the case of any redemption arising from the events detailed in paragraph (ii) above on the relevant date fixed for redemption.

**(e) *Redemption for Regulatory Purposes***

If a Capital Event has occurred and is continuing, then the Issuer may, subject to Condition 8(b) and having given the notice required by Condition 8(b) specifying the date fixed for redemption, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Make Whole Redemption Price on the relevant date fixed for redemption.

**(f) Purchases**

The Issuer or any other member of the Rabobank Group may, subject to Condition 8(b)(i) and (ii), at any time purchase Capital Securities in any manner and at any price.

**(g) Cancellation**

All Capital Securities redeemed by the Issuer pursuant to this Condition 8 will forthwith be cancelled. All Capital Securities purchased by or on behalf of the Issuer or any other member of the Rabobank Group may be held, reissued, resold or, at the option of the Issuer, surrendered to the Registrar for cancellation. Capital Securities so surrendered shall be cancelled forthwith. Any Capital Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities shall be discharged.

**9 Payments**

**(a) Method of Payment**

- (i) Payments of principal, premium and Interest shall be made by U.S. dollar cheque drawn on, or, upon application by a Holder to the specified office of any Paying Agent or the Registrar not later than the 15th day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificate(s) at the specified office of any Paying Agent or the Registrar.
- (ii) Payments of premium and interest may only be made at the specified offices of Paying Agents outside the United States of America, except that they may be made at the specified office of a Paying Agent in New York City if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment at such offices of the full amount of the premium and interest in U.S. dollars when due, (ii) payment of the full amount of such premium and interest at all specified offices of the Paying Agents outside the United States of America is illegal or effectively precluded by exchange controls or other similar restrictions, and (iii) the relevant payment is permitted by applicable U.S. law. If a Capital Security is presented for payment of principal at the specified office of any Paying Agent in the United States of America in circumstances where premium or interest is not to be paid there, the relevant Paying Agent will annotate the Capital Security with the record of the principal paid and return it to the holder for the obtaining of premium or interest elsewhere.

**(b) Payments Subject to Fiscal Laws**

Without prejudice to the terms of Condition 11, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

**(c) Payments on Business Days**

Payments due on a Capital Security may only be made on a business day. Unless otherwise specified herein, if the due date for any payment in respect of the Capital Securities is not a business day that payment shall be made on the next following business day but the Holder shall not be entitled to any interest or other sum in respect of such postponed payment. In this Condition 9(c), “**business day**” means a day on which commercial banks and foreign exchange markets are open in the place of the location of the specified office of the relevant Paying Agent or of the Registrar, as the case may be.

**(d) Record Date**

Each payment in respect of a Capital Security will be made to the person shown as the holder in the Register at the opening of business (in the place of the Registrar's specified office) on the Record Date. Where payment in respect of a Capital Security is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

**10 Events of Default**

If an Event of Default occurs, the Holder of any Capital Security may, by written notice to the Issuer at its specified office, declare such Capital Security to be forthwith due and payable, whereupon the principal amount of such Capital Security together with any Outstanding Payments to the date of payment shall become immediately due and payable, provided that repayment will only be effected after the Issuer has obtained the prior written consent of the Dutch Central Bank.

**11 Taxation**

All payments made by or on behalf of the Issuer in respect of the Capital Securities will be made without withholding or deduction for or on account of Relevant Tax paid by or on behalf of the Issuer, unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Issuer will pay, as further Interest, Additional Amounts, except that no such Additional Amounts will be payable to a Holder (or to a third party on the Holder's behalf) with respect to any Capital Securities:

- (i) if such Holder is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands in respect of the Capital Securities by reason of such Holder having some connection with the Netherlands other than by reason only of holding Capital Securities or the receipt of the relevant payment in respect thereof;
- (ii) if such Holder could lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complied, with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority;
- (iii) where such deduction or withholding is imposed on a payment to an individual (or to certain transparent entities) and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any related international agreement concluded with certain dependent or associated territories of the EU or the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008 relating to the payment of interest to Luxembourg individual residents, as such law may be amended or replaced in the future; or
- (iv) if such Holder could lawfully avoid (but has not so avoided) such deduction or withholding by presenting and surrendering the relevant Certificate to another Paying Agent in a Member State of the European Union.

**12 Prescription**

Claims for principal, premium and Interest shall become void unless the relevant Certificates are presented for payment as required by Condition 9 within a period of five years of the appropriate due date.



### **13 Replacement of Certificates**

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

### **14 Meetings of Holders, Modification and Waiver**

#### **(a) Meetings of Holders**

The Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Holders holding not less than 10% in principal amount of the Capital Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting two or more persons holding or representing whatever the principal amount of the Capital Securities held or represented, unless the business of such meeting includes consideration or proposals, *inter alia*, (i) to modify the provisions for redemption of the Capital Securities or the dates on which Interest is payable in respect of the Capital Securities, (ii) to reduce or cancel the principal amount of, or the amount payable on redemption of, the Capital Securities, (iii) to reduce the rate of Interest in respect of the Capital Securities or to vary the method of calculating the rate of Interest, or method of calculating the Interest Amount, on the Capital Securities, (iv) to change the currency of payment of the Capital Securities, (v) to modify the provisions concerning the quorum required at any meeting of Holders or (vi) to modify the provisions regarding the status of the Capital Securities referred to in Condition 4(a), in which case the resolution must be approved by an Extraordinary Resolution.

#### **(b) Modification and Waiver**

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the Registrar or any Paying Agent, Transfer Agent or Holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the Holders.

### **15 Notices**

Notices to Holders shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to Holders shall, so long as the Capital Securities are listed on Euronext Amsterdam and the rules of such exchange so require, in the Euronext Amsterdam N.V.'s Daily Official List and a daily newspaper with general circulation in the Netherlands. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules

and regulations of any stock exchange on which the Capital Securities are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

*So long as the Capital Securities are represented by the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate and such Certificates are held on behalf of DTC, Euroclear or Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to DTC, Euroclear or Clearstream, Luxembourg for communication by it to entitled accountholders in substitution for notification as required by these terms and conditions.*

## **16 Further Issues**

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

## **17 Agents**

The Registrar, Fiscal Agent, Paying Agents and Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Registrar, Fiscal Agent, Paying Agents and Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar, Fiscal Agent, Paying Agents and Transfer Agent and to appoint additional or other agents, provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent, (iii) a Registrar, (iv) paying agents having specified offices in at least two major European cities (including Amsterdam) and (v) a Paying Agent having specified office in a major city in a Member State of the European Union other than the United Kingdom that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of November 26-27 2000 or any law implementing or complying with, or introduced to conform to, such Directive. In addition, whenever a function which is expressed in these Conditions to be performed by the Agent Bank fails to be performed, the Issuer will appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in the circumstances described in Condition 9(a)(ii) (if there is no such Paying Agent at the time) and shall after such circumstances arise maintain such a Paying Agent.

Notice of any such termination or appointment and of any change in the specified office of the Registrar, the Fiscal Agent, the Paying Agents, the Transfer Agent and the Agent Bank will be given to the Holders in accordance with Condition 15. If the Fiscal Agent, any Paying Agent or the Transfer Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint an independent investment bank or financial institution registrar to act as such in its place. The Registrar, the Fiscal Agent, the Paying Agents and the Transfer Agent may not resign their duties or be removed without a successor having been appointed as aforesaid.

## **18 Governing Law**

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

## **19 Jurisdiction**

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

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

### **The Global Capital Security Certificates**

The Capital Securities will be represented on issue by the Regulation S Global Capital Security Certificate (deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg) and the Rule 144A Global Capital Security Certificate (deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC).

Beneficial interests in the Regulation S Global Capital Security Certificate may be held only through Euroclear or Clearstream, Luxembourg. See “Clearing and Settlement—Book-Entry Procedures for the Global Capital Security Certificates”. By acquisition of a beneficial interest in the Regulation S Global Capital Security Certificate, the purchaser thereof will be deemed to represent, among other things, that it is located outside the United States. See “Offer Restrictions”.

Beneficial interests in the Rule 144A Global Capital Security Certificate may only be held through DTC. See “Clearing and Settlement—Book-Entry Procedures for the Global Capital Security Certificates”. By acquisition of a beneficial interest in the Rule 144A Global Capital Security Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Agency Agreement. See “Offer Restrictions”.

Beneficial interests in each Global Capital Security Certificate will be subject to certain restrictions on transfer set forth therein and in the Agency Agreement, and with respect to the Rule 144A Capital Securities, as set forth in Rule 144A, and the Capital Securities will bear the legends set forth thereon regarding such restrictions set forth under “Transfer Restrictions”. A beneficial interest in the Regulation S Global Capital Security Certificate may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Capital Security Certificate in denominations greater than or equal to the minimum denominations applicable to interests in the Rule 144A Global Capital Security Certificate and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Capital Security Certificate may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Capital Security Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that the transfer is being made in an offshore transaction and in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Capital Security Certificate that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Capital Security Certificate will, upon transfer, cease to be an interest in the Regulation S Global Capital Security Certificate and become an interest in the Rule 144A Global Capital Security Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Capital Security Certificate for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Capital Security Certificate that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Capital Security Certificate will, upon transfer, cease to be an interest in the Rule 144A Global Capital Security Certificate and become an interest in the Regulation S Global Capital Security Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Capital Security Certificate for so long as it

remains such an interest. No service charge will be made for any registration of transfer or exchange of Capital Securities, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Capital Security Certificates will not be entitled to receive physical delivery of individual Certificates in definitive form. The Capital Securities are not issuable in bearer form.

In the event that a Global Capital Security Certificate is exchanged for Definitive Capital Securities, such Definitive Capital Securities shall be issued in denominations of U.S.\$75,000 and integral multiples of U.S.\$1,000 in excess thereof. Holders who hold Capital Securities in the relevant clearing system in amounts that are not integral multiples of U.S.\$75,000 or U.S.\$1,000 in excess thereof may need to purchase or sell, on or before the relevant Exchange Date (as defined below), a principal amount of Capital Securities such that their holding is an integral multiple of U.S.\$75,000 or U.S.\$1,000 in excess thereof.

### **Tradable Amounts**

So long as the Capital Securities are represented by a Global Capital Security Certificate and the relevant clearing system(s) so permit, the Capital Securities shall be tradable only in principal amounts of at least U.S.\$75,000 and integral multiples of U.S.\$1,000 in excess thereof.

### **Exchange for Definitive Capital Securities**

#### ***Exchange***

Each Global Capital Security Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Capital Securities in definitive form if a Global Capital Security Certificate is held by or on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any transfer agent of its intention to exchange the relevant Global Capital Security Certificate for Definitive Capital Securities on or after the Exchange Date (as defined below) specified in the notice.

The Registrar will not register the transfer of, or exchange of interests in, a Global Capital Security Certificate for Definitive Capital Securities for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Capital Securities.

“Exchange Date” means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

#### ***Delivery***

In such circumstances, the relevant Global Capital Security Certificate shall be exchanged in full for Definitive Capital Securities and the Issuer will, free of charge to the holders (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Capital Securities to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holders. A person having an interest in a Global Capital Security Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Capital Securities and (b) in the case of the Rule 144A Global Capital Security Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the

provisions of Rule 144A to a QIB. Definitive Capital Securities issued in exchange for a beneficial interest in the Rule 144A Global Capital Security Certificate shall bear a legend applicable to transfers pursuant to Rule 144A.

### ***Legends***

The holder of an Definitive Capital Securities may transfer the Capital Securities evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Definitive Capital Security bearing the appropriate legend, or upon specific request for removal of the legend on a Rule 144A Definitive Capital Security, the Issuer will deliver only Rule 144A Definitive Capital Securities that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

### ***Payments***

Payments of principal and interest in respect of Capital Securities evidenced by a Rule 144A Global Capital Security Certificate or a Regulation S Global Capital Security Certificate will be made against presentation for endorsement by the Principal Paying and Transfer Agent and, if no further payment falls to be made in respect of the relevant Capital Securities, surrender of such Rule 144A Global Capital Security Certificate or Regulation S Global Capital Security Certificate, as the case may be, to or to the order of the Principal Paying and Transfer Agent or such other Paying and Transfer Agent as shall have been notified to the relevant Holders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Capital Securities. Conditions 11(iii) and 17(v) will apply to the Definitive Capital Securities only.

### ***Accountholders***

Each of the persons shown in the records of DTC or Euroclear, Clearstream, Luxembourg, as the case may be, as the holder of a Capital Security represented by a Rule 144A Global Capital Security Certificate or a Regulation S Global Capital Security Certificate, as the case may be, the Holder must look solely to DTC or Euroclear, Clearstream, Luxembourg, as the case may be, for his share of each payment made by the Issuer to the holder of the underlying Certificate, and in relation to all other rights arising under such Certificate, subject to and in accordance with the respective rules and procedures of DTC or Euroclear, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Capital Securities for so long as the Capital Securities are represented by such a Certificate and such obligations of the Issuer will be discharged by payment to the holder of such Certificate, as the case may be, in respect of each amount so paid.

### ***Notices***

So long as the Capital Securities are represented by a Rule 144A Global Capital Security Certificate and a Regulation S Global Capital Security Certificate on behalf of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, notices to Holders may be given by delivery of the relevant notice to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for communication by it to entitled accountholders for notification, except that so long as the Capital Securities are listed on Euronext Amsterdam and rules of such exchange so require, notices to Holders will also be published on the Euronext Daily Official List and a daily newspaper having general circulation in the Netherlands, or failing such publication, in accordance with the procedures set out in Condition 15.

***Prescription***

Claims against the Issuer in respect of principal and interest while the Capital Securities are represented by the Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be, will become void unless the relevant Certificate is presented for payment within a period of five years from the due date.

***Meetings***

The holder of a Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be, will be treated as being one person for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, as having one vote in respect of each U.S.\$1,000 principal amount of Capital Securities held.

***Purchase and Cancellation***

Cancellation of any Capital Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be.

## **TRANSFER RESTRICTIONS**

### **Rule 144A Capital Securities**

Each purchaser of Rule 144A Capital Securities within the United States, by accepting delivery of this Prospectus and the Rule 144A Capital Securities, will be deemed to have represented, agreed and acknowledged that:

It is (a) a QIB, (b) acting for its own account, or for the account of a QIB, and (c) not formed for the purpose of investing in the Issuer.

It understands that the Rule 144A Capital Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state or another jurisdiction of the United States.

It understands that the Rule 144A Capital Securities, unless otherwise agreed between the Issuer and the Fiscal Agent in accordance with applicable law, will bear a legend to the following effect:

THIS CAPITAL SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB"), THAT IS ACQUIRING THE CAPITAL SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE CAPITAL SECURITIES.

It acknowledges that the Issuer, the Registrar (as defined in the Terms and Conditions), the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Rule 144A Capital Securities is no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Rule 144A Capital Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

It understands that the Rule 144A Capital Securities will be evidenced by the Rule 144A Global Capital Security Certificate. Before any interest in the Rule 144A Global Capital Security Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation



S Global Capital Security Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws. Prospective purchasers are hereby notified that sellers of the Rule 144A Capital Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

### **Regulation S Capital Securities**

Each purchaser of Regulation S Capital Securities outside the United States and each subsequent purchaser of such Regulation S Capital Securities in resales prior to the expiration of the distribution compliance period by accepting delivery of this Prospectus and the Regulation S Capital Securities, will be deemed to have represented, agreed and acknowledged that:

It is, or at the time Regulation S Capital Securities are purchased will be, the beneficial owner of such Regulation S Capital Securities and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

It understands that the Regulation S Capital Securities have not been and will not be registered under the Securities Act and, prior to the expiration of the 40-day distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Regulation S Capital Securities except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB or (b) to a non-U.S. person (and not acting for the account or benefit of a U.S. person) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

It understands that Regulation S Capital Securities will be evidenced by a Regulation S Global Capital Security Certificate. Prior to the expiration of the 40-day distribution compliance period, before any interest in a Regulation S Global Capital Security Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Capital Security Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

It acknowledges that the Issuer, the Registrar, the Initial Purchasers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of Capital Securities is no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Capital Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

## **CLEARING AND SETTLEMENT OF THE CAPITAL SECURITIES**

### **Book-Entry Procedures for the Global Capital Security Certificates**

Custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Capital Securities and cross market transfers of the Capital Securities associated with secondary market trading. See “—Book-Entry Ownership” and “—Settlement and Transfer of Capital Securities”.

Investors may hold their interests in the Global Capital Security Certificates directly through DTC, Euroclear or Clearstream, Luxembourg if they are accountholders (“Direct Participants”) or indirectly (“Indirect Participants”) and together with Direct Participants, “Participants”) through organisations which are accountholders therein.

#### ***DTC***

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Capital Security Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Capital Securities only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Rule 144A Global Capital Security Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under “Summary of Provisions Relating to the Capital Securities while in Global Form—Exchange for Definitive Capital Securities”, DTC will surrender the Rule 144A Global Capital Security Certificate for exchange for individual Rule 144A Definitive Capital Securities (which will bear the legend applicable to transfers pursuant to Rule 144A).

#### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an

electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

### **Book-Entry Ownership**

#### ***Euroclear and Clearstream, Luxembourg***

The Regulation S Global Capital Security Certificate representing the Regulation S Capital Securities will have an ISIN, a Common Code and a CUSIP number and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

#### ***DTC***

The Rule 144A Global Capital Security Certificate representing the Rule 144A Capital Securities will have an ISIN, a Common Code and a CUSIP number and will be deposited with a custodian (the “Custodian”) for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Capital Securities held within the DTC System. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

#### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a Capital Security evidenced by a Global Capital Security Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Capital Security and in relation to all other rights arising under such Global Capital Security Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Capital Securities evidenced by a Global Capital Security Certificate, the common depositary by whom such Capital Security is held, or nominee in whose name it is registered, will immediately credit the relevant Participants’ or accountholders’ accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Capital Security Certificate as shown on the records of the relevant common depositary or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Capital Security Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Capital Securities for so long as the Capital Securities are evidenced by such Global Capital Security Certificate, and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Capital Security Certificate in respect of each amount so paid. None of the Issuer or any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Capital Security Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

#### **Settlement and Transfer of Capital Securities**

Subject to the rules and procedures of each applicable clearing system, purchases of Capital Securities held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Capital Securities on the clearing system’s records. The ownership interest of each actual purchaser of each such Capital Security (the “Beneficial Owner”) will in turn be recorded on the Direct and Indirect Participants’ records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Capital Securities held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Capital Securities, unless and until interests in any Global Capital Security Certificate held within a clearing system are exchanged for Definitive Capital Securities.

No clearing system has knowledge of the actual Beneficial Owners of the Capital Securities held within such clearing system, and its records will reflect only the identity of the Direct Participants to whose accounts such Capital Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Capital Security Certificate to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in the Rule 144A Global Capital Security Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of book-entry interests in the Capital Securities held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Capital Securities held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

***Trading between DTC Participants***

Secondary market sales of book-entry interests in the Capital Securities between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

***Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser***

When book-entry interests in Capital Securities are to be transferred from the account of a DTC Participant holding a beneficial interest in the Rule 144A Global Capital Security Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Capital Security Certificate (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant

Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the custodian of the Rule 144A Global Capital Security Certificate will instruct the Registrar to (i) decrease the amount of Capital Securities registered in the name of Cede & Co. and evidenced by the Rule 144A Global Capital Security Certificate of the relevant class and (ii) increase the amount of Capital Security registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Capital Security Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

***Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser***

When book-entry interests in the Capital Securities are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in the Rule 144A Global Capital Security Certificate (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Capital Security Certificate who will in turn deliver such book-entry interests in the Capital Securities free of payment to the relevant account of the DTC Participant and (b) instruct the Registrar to (i) decrease the amount of Capital Securities registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Capital Security Certificate; and (ii) increase the amount of Capital Security registered in the name of Cede & Co. and evidenced by the Rule 144A Global Capital Security Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Capital Security Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any agent will have the responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

## **USE OF PROCEEDS**

There will be no proceeds from the New Capital Securities.

## TAXATION

### United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summarizes the material U.S. federal income tax considerations generally applicable to the ownership and disposition of Capital Securities by a U.S. Holder (as defined below). This discussion deals only with U.S. Holders that hold Capital Securities as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Capital Securities by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own or will own directly, or indirectly by attribution, 10% or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that own Capital Securities as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Capital Securities that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Capital Securities will depend on the status of the partner and the activities of the partnership. Holders that are partnerships should consult their own tax advisers concerning the U.S. federal income tax consequences to their partners of the ownership and disposition of Capital Securities by the partnership.

This discussion assumes that the Issuer is not a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes, which the Issuer believes to be the case. See the discussion below entitled “Passive Foreign Investment Company Considerations”.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the Netherlands (the “Treaty”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE CAPITAL SECURITIES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

### ***U.S. Federal Income Tax Characterization of the Capital Securities***

The characterization of securities such as the Capital Securities will depend on the terms of the Capital Securities. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There is no statutory, judicial or administrative authority directly addressing the characterization of the Capital Securities or of instruments similar to the Capital Securities.

Although the matter is not free from doubt, the Capital Securities should be treated for U.S. federal income tax purposes as equity in the Issuer for U.S. federal income tax purposes. The Issuer and, by a U.S. Holder's purchasing a Capital Security or an interest therein, the U.S. Holder agree to treat the Capital Securities as equity in the Issuer, and the discussion below assumes this to be the case.

No rulings will be sought from the U.S. Internal Revenue Service ("IRS") regarding the characterization of the Capital Securities issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterization of the Capital Securities for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Capital Securities.

### ***Distributions on Capital Securities***

Payments of interest on the Capital Securities will generally be treated as distributions with respect to stock of the Issuer.

Distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Capital Securities and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Capital Securities will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

For taxable years that begin before 2011, dividends paid by the Issuer will generally be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty, which the Issuer believes to be the case. A U.S. Holder will be eligible for this reduced rate only if, among other things, it has held the Capital Securities for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to dividends on the Capital Securities.

### ***Sale, Redemption or other Disposition***

Upon a sale, redemption or other disposition of Capital Securities, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes (provided, in the case of a redemption, that the U.S. Holder does not own, and is not deemed to own, any of the Issuer's voting securities) equal to the difference,



if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Capital Securities. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Capital Securities exceeds one year. However, regardless of a U.S. Holder's actual holding period, any loss may be long-term capital loss to the extent a non-corporate U.S. Holder receives a dividend that qualifies for the reduced rate described above under "Distributions on Capital Securities", and exceeds 5% of the U.S. Holder's basis in its Capital Securities. Any gain or loss will generally be U.S. source.

### ***Passive Foreign Investment Company Considerations***

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain entities in which it owns equity interests pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Issuer does not believe that it should be treated as, and does not expect to become, a PFIC. Although interest income is generally passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. The Issuer believes that it currently meets these requirements. The Issuer's possible status as a PFIC must be determined annually, however, and may be subject to change if the Issuer fails to qualify under this special rule for any year in which a U.S. Holder holds Capital Securities. If the Issuer were to be treated as a PFIC in any year, U.S. Holders of Capital Securities would be required (i) to pay a special U.S. addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of Capital Securities at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by the Issuer would not be eligible for the special reduced rate of tax described above under "Distributions on Capital Securities". Holders should consult their tax advisers regarding the potential application of the PFIC regime.

### ***Backup Withholding and Information Reporting***

Distributions and other proceeds with respect to Capital Securities, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting and backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and backup withholding and the procedure for obtaining an exemption.

### **Taxation in the Netherlands**

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of New Capital Securities. Prospective holders of a New Capital Security ("Security Holder") should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of New Capital Securities.

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

## **Withholding Tax**

All payments made under the New Capital Securities may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## **Taxes on income and capital gains**

### *(a) Residents of the Netherlands*

The description of certain Dutch tax consequences in this paragraph is only intended for the following Security Holders:

- (i) individuals who are resident or deemed to be resident in the Netherlands;
- (ii) individuals who opt to be treated as if resident in the Netherlands for purposes of Dutch taxation ((i) and (ii) jointly “Dutch Individuals”); and
- (iii) entities that are subject to the Dutch Corporate Tax Act 1969 (“CITA”) and are resident or deemed to be resident of the Netherlands for the purposes of the CITA, excluding:
  - pension funds (*pensioenfondsen*) and other entities, that are in full or in part exempt from Dutch corporate tax; and
  - Investment institutions (*beleggingsinstellingen*); (“Dutch Corporate Entities”).

### Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who holds New Capital Securities that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, or not attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*), will be subject annually to an income tax imposed on a fictitious yield on such New Capital Securities. The New Capital Securities 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 realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the New Capital Securities, is set at a fixed amount. The fixed amount equals 4% of the average net fair market value of these assets and liabilities measured, in general, at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30%.

### Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at progressive rates with a maximum of 52% with respect to any benefits derived or deemed to be derived from New Capital Securities (including any capital gains realized on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of active portfolio investment.

### Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate tax at statutory rates up to 25.5 percent with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal thereof) from New Capital Securities.

(b) *Non-residents of the Netherlands*

A Security Holder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the New Capital Securities, except if:

- (i) the Security Holder derives profits from an enterprise, whether as entrepreneur or pursuant to a co entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the New Capital Securities are attributable; or
- (ii) the Security Holder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) performed in the Netherlands in respect of New Capital Securities, including, without limitation, activities which are beyond the scope of active portfolio investment; or
- (iii) the Security Holder is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the New Capital Securities are attributable.

**Gift tax or inheritance tax**

A person who acquires New Capital Securities as a gift, in form or in substance, or who acquires or is deemed to acquire New Capital Securities on the death of an individual will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

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

**Other taxes**

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

**Residency**

A Security Holder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Security Holder's acquisition (by way of issue or transfer to it), holding and/or disposal of the New Capital Securities.

## **Luxembourg taxation**

### **Withholding tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Holders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Holders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Capital Securities.

### ***Luxembourg non-resident individuals***

Under the Luxembourg laws dated June 21, 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg-based paying agent (within the meaning of the Savings Directive) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC). The withholding tax rate is 20% (as from 1 July 2008) increasing to 35% (as from 1 July 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### ***Luxembourg resident individuals***

A 10% withholding tax has been introduced, as from January 1, 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime). Only interest accrued after July 1, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

### **EC Council Directive**

Under EU council Directive 2003/48/EC regarding the taxation of savings income Member States are required from July 1, 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise; Belgium did so and will switch to the provision of information as of 2010) to operate a withholding system (20% as of July 1, 2008 and 35% as of July 1, 2011) in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreement relating to information exchange with certain other countries). If a payment were to be made or collected through a Member state which has opted for a withholding system and an amount of, or in respect

of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent or Transfer Agent nor any other person would be obliged to pay additional amounts with respect to any Capital Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent or Transfer Agent, the Issuer will be required to maintain a Paying Agent and a Transfer Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

## **LEGAL MATTERS**

Certain legal matters with respect to the issue and offering of the New Capital Securities will be passed on for the Issuer by Linklaters LLP. Certain matters of Netherlands taxation with respect to the issue and offering of the New Capital Securities will be passed on for the Issuer by PricewaterhouseCoopers Belastingadviseurs N.V. Certain legal matters with respect to the issue and offering of the New Capital Securities will be passed on for the Dealer Managers by Davis Polk & Wardwell.

## GENERAL INFORMATION

1. Application has been made to the AFM to approve this document as a prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made for the New Capital Securities to be admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V..
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the New Capital Securities. The issue of the New Capital Securities was authorised by a resolution of the Executive Board of the Issuer passed on February 17, 2009, and by resolutions of the Supervisory Board passed on March 2, 2009 as confirmed by a Secretary's Certificate dated June 4, 2009.
3. There has been no significant change in the financial or trading position of the Issuer or of the Rabobank Group since December 31, 2008 and no material adverse change in the financial position or prospects of the Issuer or of the Rabobank Group since December 31, 2008.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability.

In addition to information disclosed elsewhere in this Prospectus, during the past three financial years Rabobank Group has made the following main investments:

- (i) In 2006 De Lage Landen acquired 99.6% of the total issued and outstanding share capital of Athlon Holding N.V. The total investment was approximately € 580 million.
- (ii) In January 2007 Rabobank Group acquired two small Indonesian banks, Bank Haga and Bank Hagakita, from individual shareholders. Both Indonesian banks focus primarily on serving owners of small and medium-sized businesses. The banks had total assets of Indonesian Rupees 3.97 trillion as of December 31, 2005.
- (iii) In December 2006 Rabobank Nederland completed the acquisition of the real estate development and asset management business of ABN AMRO Bouwfonds N.V. Rabobank also acquired Rijnlandse Bank as part of that transaction, but did not acquire the real estate financing activities (BPF). The total investment amounted to € 855 million. The real estate operations of the Rabobank Group operate under the name Rabo Bouwfonds and as of January 1, 2009 under the name Rabo Real Estate Group.
- (iv) On April 30, 2007 Mid-State Bank & Trust became part of the Rabobank Group. Mid-State Bank & Trust was emerged into Rabobank N.A., Rabobank's community banking subsidiary in California. Rabobank acquired all the shares of Mid-State Bank & Trust's shares for a total purchase price of U.S.\$ 857 million.
- (v) On February 22, 2007, Robeco acquired a 64% stake in the Swiss-based Sustainability Asset Management (SAM) Group.
- (vi) In April 2007, Rabobank of Nederland acquired HNS Banco from GE Commercial Finance and Ergas Group. Most Rabobank's existing operations in Chile were integrated with HNS Banco, which was renamed Rabobank Chile, and has become the principal Rabobank business entity in Chile.

- (vii) At the end of 2006 Rabobank exercised its option to purchase all the shares in Eichbaum Holding Ltd., a holding company owning a majority interest in Bank Sarasin & Co. Ltd. The share purchase was formally closed on April 11, 2007. All the conditions precedent were fulfilled and the necessary decisions and approvals obtained from the relevant authorities. Rabobank now owns 46.06% of the share capital and holds 68.63% of the voting rights, making it the majority shareholder in Bank Sarasin & Co. Ltd. Bank Sarasin retains its operational independence as a leading Swiss private bank and continues to be publicly listed on the Swiss stock exchange, SWX.
  - (viii) On April 4, 2008 Rabobank received official permission from the Polish Financial Supervision Authority to take a majority position in Bank BGZ. Rabobank acquired a 12.87% holding previously held by the European Bank for Reconstruction and Development. As a result of this acquisition Rabobank now has a majority holding of 59.35% in Bank BGZ. Rabobank first acquired a 35.4% holding in Bank BGZ in 2004 and increased its holding to 46.48% mainly by conversion of convertible bonds into shares.
5. The New Capital Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg and DTC systems (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) and Common Code for the Regulation S Capital Securities is XS0431744282 and 043174428. The ISIN, Common Code and CUSIP for the Rule 144A Capital Securities is US749770AQ67, 043198416 and 749770AQ6.
- The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Duchy of Luxembourg, and the address of DTC is 55 Water Street, New York, NY 10041, United States.
6. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Rabobank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the New Capital Securities being issued.
7. Where information in this Prospectus (including where such information has been incorporated by reference) has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
8. For so long as the Capital Securities are listed on Euronext Amsterdam, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection, free of charge, at the offices of the Fiscal Agent:
- (a) the Fiscal Agency Agreement (which includes the forms of the Global Capital Security Certificates and the definitive Capital Security Certificates);
  - (b) the Articles of Association of the Issuer;
  - (c) the audited and consolidated financial statements of the Issuer and the Rabobank Group for the three financial years ended December 31, 2008; and
  - (d) a copy of this Prospectus.
9. Ernst & Young Accountants LLP, of which the "Registeraccountants" are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified audit reports on, the



financial statements of the Issuer for the years ended December 31, 2006, 2007 and 2008. Ernst & Young Accountants LLP has given its consent to the inclusion in this Prospectus of its audit reports for the years ended December 31, 2006, 2007 and 2008, each as incorporated by reference herein in the form and context in which they appear. Ernst & Young Accountants LLP has no interest in the Issuer. The address of Ernst & Young Accountants LLP is as follows: Ernst & Young Accountants LLP, Euclideslaan 1, 3584 BL Utrecht, The Netherlands.

10. The yield of the New Capital Securities in respect of the Fixed Rate Interest Period is 11.0% semi-annually calculated on the basis of the re-offer price of the Capital Securities as at the date of this Prospectus. It is not an indication of future yield.
11. The latest published financial information is dated at December 31, 2008.
12. No interim financial information in respect of the Issuer is available subsequent to December 31, 2008. There has been no significant change in the financial or trading position of the Issuer or of the Rabobank Group, and there has been no material adverse change in the financial position or prospects of the Issuer or of the Rabobank Group, since December 31, 2008.

**Principal Office of the Issuer**

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(Rabobank Nederland)**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Joint Book-Running Managers**

**Banc of America Securities LLC**  
Bank of America Tower  
One Bryant Park  
New York, New York 10036  
United States

**Credit Suisse Securities (USA) LLC**  
11 Madison Avenue  
New York, New York 10010  
United States

**UBS Securities LLC**  
677 Washington Boulevard  
Stamford, Connecticut 06901  
United States

**Auditors of the Issuer**

**Ernst & Young Accountants LLP**  
Euclideslaan 1  
3584 BL Utrecht  
The Netherlands

**Fiscal Agent, Principal Paying and Transfer Agent**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**Registrar, Paying Agent and Transfer Agent**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**Registrar, Transfer Agent and Paying Agent**

**Deutsche Bank Trust Company Americas**  
60 Wall Street, 27th Floor  
New York, NY 10005  
United States

**Paying Agent and Euronext Listing Agent**

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

**(Rabo Securities)**

Amstelplein 1  
1096 HA Amsterdam  
The Netherlands

**Legal Advisers**

*To the Issuer  
as to Dutch law*

**Linklaters LLP**  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
The Netherlands

*To the Issuer  
as to U.S. law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

*To the Joint Book-Running Managers  
as to U.S. law*

**Davis Polk & Wardwell**  
99 Gresham Street  
London EC2V 7NG  
United Kingdom

*To the Issuer  
as to Dutch tax law*

**PricewaterhouseCoopers Belastingadviseurs N.V.**  
De Entree 201  
1101 HG  
P.O. Box 22735  
1100 DE  
Amsterdam Zuidoost  
The Netherlands