

## OFFERING CIRCULAR

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Notes. Before making an investment decision prospective investors should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this prospectus (for the Dutch market) (the 'Offering Circular') and, in particular, the considerations set out in 'Special Considerations' on page 7. The majority of this Offering Circular is in English. However, for the convenience of prospective investors, a Dutch translation of the 'Special Considerations' section has also been provided.

Aan de aankoop van Notes zijn aanzienlijke risico's verbonden. Een dergelijke aankoop dient dan ook alleen te worden overwogen door investeerders die beschikken over de noodzakelijke kennis en ervaring in financiële en commerciële zaken om dergelijke risicoafwegingen op een verantwoorde wijze te kunnen maken. Alvorens een beslissing te nemen worden gegadigden geadviseerd eerst, mede gelet op hun eigen financiële omstandigheden en investeringsdoelen, alle informatie in deze prospectus (voor de Nederlandse markt) (het 'Offering Circular') nauwkeurig door te nemen, met name de aandachtspunten, hieronder beschreven in 'Special Considerations' op bladzijde 7. Het grootste deel van deze Offering Circular is in het Engels. Echter, voor het gemak van gegadigden, is er een vertaling van de 'Special Considerations' in deze Offering Circular opgenomen.



### **Rabobank Nederland**

*Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(a cooperative with limited liability established under the laws of the Netherlands  
and having its statutory seat in Amsterdam, the Netherlands)*

**Euro 5,000,000,000**

### **Principal Protected Medium Term Note Programme (Rabobank Garantiecificaten Programma)**

Under this Euro 5,000,000,000 Principal Protected Medium Term Note Programme (the '**Programme**'), Rabobank Nederland (the '**Issuer**'), subject to compliance with all relevant laws, regulations and directives, may, from time to time, issue medium term notes (the '**Notes**').

The aggregate principal amount of Notes outstanding will not at any time exceed Euro 5,000,000,000 (or the equivalent in other currencies).

Notes issued under the Programme may be listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. ('**Euronext Amsterdam**'). Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be listed on the Luxembourg Stock Exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined on page 23) in respect of the issue of any Notes will specify whether or not such Notes will be listed on Euronext Amsterdam, the Luxembourg Stock Exchange (or any other stock exchange). This Offering Circular constitutes a Prospectus for the purpose of the Listing and Issuing Rules of Euronext Amsterdam.

The Notes of each Tranche (as defined on page 23) will initially be represented by a temporary global note in bearer form, without interest coupons (each a **temporary Global Note**). Temporary Global Notes will be deposited on the issue date either (a) with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or (b) such other clearing system as agreed between the Issuer and the relevant Dealer. Interests in temporary Global Notes will be exchangeable for interests in permanent global notes (each a **permanent Global Note**), or if so stated in the relevant Pricing Supplement, definitive Notes, after the date falling 40 days after the later of the commencement of the offering of the Notes and the issue date upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in whole but not in part as described under Summary of Provisions Relating to the Notes while in Global Form.

*Dealers*

**Rabobank Nederland  
Rabobank International  
Rabo Securities N.V.**

The date of this Offering Circular is January 25, 2005

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see *Documents Incorporated by Reference* below) and be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Dealers, excluding Rabobank Nederland, have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the terms of such Notes (see *Special Considerations* below).

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see *Subscription and Sale* below).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or

distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. See *Subscription and Sale*.

All references in this document to U.S. dollars, U.S.\$, USD and \$ refer to the currency of the United States of America, and to Euro and EUR refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union which is the lawful currency of the Netherlands.

In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the relevant Pricing Supplement or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined on page 22) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilising manager or any agent to do this. Such stabilising, if commenced, may be discontinued at any time and will, in respect of Notes listed on Euronext Amsterdam, in any event be discontinued 30 days after the relevant issue date, and be in compliance with any applicable laws, regulations and rules, including those of Euronext Amsterdam and Article 32 of the Further Regulations on Market Conduct Supervision of the Securities Trade 2002 (Nadere regeling gedragstoezicht effectenverkeer 2002) as amended.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

1. the most recently published audited annual financial statements of the Issuer from time to time (together with the explanatory notes thereto) and unaudited interim financial statements (if any) of the Issuer; and
2. all amendments and supplements to this Offering Circular prepared by the Issuer from time to time,
3. the audited consolidated and unconsolidated financial statements of the Issuer for the years ended December 31, 2001, December 31, 2002 and December 31, 2003. The consolidated and unconsolidated financial statements of the Issuer for the year ended December 31, 2004 are expected to be available in April 2005.
4. the most recent articles of association of the Issuer.

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

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabobank Nederland (as Netherlands listing agent) for Notes listed on Euronext Amsterdam and from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. (the **Luxembourg Listing Agent**) for Notes listed on the Luxembourg Stock Exchange.

The Issuer will, in connection with the listing of the Notes on Euronext Amsterdam and the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any material change in the condition of the Issuer which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed on Euronext Amsterdam and the Luxembourg Stock Exchange.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the relevant Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under *Terms and Conditions of the Notes* below.

This Offering Circular and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed Euro 5,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the Euro equivalent of Notes denominated in another Specified Currency (as specified in the relevant Pricing Supplement in relation to the relevant Notes shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the Euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the Euro equivalent of Dual Currency Notes and Partly Paid Notes (each as specified in the relevant Pricing Supplement in relation to the relevant Notes shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the Euro equivalent of Zero Coupon Notes (as specified in the relevant Pricing Supplement in relation to the relevant Notes and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

## **SPECIAL CONSIDERATIONS**

*The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this Offering Circular and, in particular, the considerations set forth below. Words and expressions defined in Terms and Conditions of the Notes (including in the relevant Pricing Supplement) shall have the same meanings below.*

### **Equity Linked Notes**

Equity Linked Notes differ from ordinary debt securities in that the amount of principal and/or interest payable by the Issuer upon redemption (whether at maturity or earlier) will depend on the market value of the Underlying Securities at such time (but will never be less than 100 per cent. of the nominal amount of the Equity Linked Notes).

Equity Linked Notes are not in any way sponsored, endorsed, sold or promoted by the issuer of the Underlying Securities and the issuer of the Underlying Securities makes no warranty or representation whatsoever, express or implied as to the future performance of the Underlying Securities.

### **Index Linked Notes**

Index Linked Notes differ from ordinary debt securities in the sense that amounts due in respect of principal and/or interest will be dependent upon the performance of the Index, which itself may contain substantial credit, interest rate or other risks (but will never be less than 100 per cent. of the nominal amount of the Index Linked Notes).

Index Linked Notes are not in any way sponsored, endorsed, sold or promoted by the Sponsor and the Sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index and/or the figure at which the Index stands at any particular time on any particular day or otherwise. The Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Sponsor shall not be under any obligation to advise any person of an error therein.

### **Provision of Information**

None of the Issuer, the Dealers or any of their respective affiliates makes any representation as to any issuer of the Underlying Securities (in the case of Equity Linked Notes). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an issuer of the Underlying Securities, their respective affiliates or any guarantors that is or may be material in the context of Equity Linked Notes. The issue of Equity Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

### **Business Relationships**

Each of the Issuer, the Dealers or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of Underlying Securities, their respective affiliates or any guarantor or any other person or entity having obligations relating to any issuer of Underlying Securities or their respective affiliates or any guarantor in the same manner as if any Equity Linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the Underlying Securities, any of their respective affiliates or any guarantor.

### **Legality of Purchase**

Neither the Issuer, the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

## **Independent Review and Advice**

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

## **No Reliance**

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

*The following is a Dutch translation of the above section:*

### **BIJZONDERE AANDACHTSPUNTEN**

*Aan de aankoop van Notes zijn aanzienlijke risico's verbonden. Een dergelijke aankoop dient dan ook alleen te worden overwogen door investeerders die beschikken over de noodzakelijke kennis en ervaring in financiële en commerciële zaken om dergelijke risicoafwegingen op een verantwoorde wijze te kunnen maken. Alvorens een beslissing te nemen worden gegadigden geadviseerd eerst, mede gelet op hun eigen financiële omstandigheden en investeringsdoelen, alle informatie in dit Informatie Memorandum nauwkeurig door te nemen, met name de hieronder beschreven bijzondere aandachtspunten. Hieronder gebruikte woorden en begrippen hebben dezelfde betekenis als gedefinieerd in Form of the Notes en Terms and Conditions of the Notes.*

## **Equity Linked Notes**

Equity Linked Notes verschillen in zoverre van normale obligaties, dat het door de Issuer verschuldigde bedrag aan hoofdsom en/of rente bij aflossing (na het einde van de looptijd of eerder) afhankelijk is van de alsdan geldende marktwaarde van de Underlying Securities (maar nooit minder bedraagt dan 100% van de nominale waarde van de Equity Linked Notes).

Equity Linked Notes worden niet op enige wijze ondersteund, geëndosseerd, verkocht of gepromoot door de emittent van de Underlying Securities, en de emittent van de Underlying Securities verstrekt geen enkele garantie, noch expliciet noch impliciet, ten aanzien van de toekomstige prestatie van de Underlying Securities.

## **Index Linked Notes**

Index Linked Notes verschillen in zoverre van normale obligaties, dat het verschuldigde bedrag aan hoofdsom en/of rente afhankelijk van prestatie van de Index (wat aanzienlijke krediet-, rente- en overige risico's met zich mee kan brengen) maar nooit minder bedraagt dan 100% van de nominale waarde van de Index Linked Notes.

Index Linked Notes worden niet op enige wijze ondersteund, geëndosseerd, verkocht of gepromoot door de Sponsor en de Sponsor verstrekt geen enkele garantie, noch expliciet noch impliciet, ten aanzien van de resultaten die kunnen worden gehaald door gebruikmaking van de Index, en/of de waarde waarop de Index op enig tijdstip op enige dag of anderszins staat. De Sponsor is niet aansprakelijk (wegens nalatigheid of anderszins) voor fouten in de Index en de Sponsor heeft geen verplichting van welk soort ook om anderen van dergelijke fouten op de hoogte te brengen.

## **Informatieverstrekking**

Noch de Issuer, noch de Dealers of hun respectieve aanverwante partijen geven enige garantie ten aanzien van enige emittent van Underlying Securities (in het geval van de Equity Linked Notes). Ieder van deze partijen kan tijdens de looptijd van de Notes niet-openbare informatie ontvangen met betrekking tot een emittent van Underlying Securities, respectieve aanverwante partijen of garantiegevers, die van belang kan zijn voor de Equity Linked Notes. De uitgifte van Equity Linked Notes levert geen verplichting op voor genoemde partijen om (al dan niet vertrouwelijke) informatie te verstrekken aan de Noteholders of enige andere partij.

### **Zakelijke betrekkingen**

De Issuer, Dealers en respectieve aanverwante partijen staan vrij om te handelen en om zakelijke betrekkingen aan te gaan (als bankier of anderszins) met een emittent van Underlying Securities, respectieve aanverwante partijen, garantiegevers, natuurlijke personen of rechtspersonen met verplichtingen ten aanzien van een emittent van Underlying Securities of respectieve aanverwante partijen of garantiegevers, op exact dezelfde wijze als wanneer de Equity Linked Notes die onder het Programma zijn uitgegeven niet zouden bestaan, ongeacht of dergelijke handelwijze een ongunstige invloed heeft voor een emittent van Underlying Securities of respectieve aanverwante partijen of garantiegevers.

### **Rechtmatigheid Koop**

Noch de Issuer, noch de Dealers of hun respectieve aanverwante partijen is verantwoordelijk of aanvaardt enige verantwoordelijkheid ten aanzien van de rechtmatigheid van de verwerving van de Notes door gegadigden onder toepasselijke wetgeving in het land van oprichting of van feitelijke activiteiten (indien anders), of ten aanzien van naleving door gegadigden van toepasselijke wet- of regelgeving of regulerend beleid.

### **Onafhankelijk Onderzoek en Advies**

Gegadigden dienen zelf, op basis van onafhankelijk onderzoek en professioneel advies zoals dat geschikt wordt geacht onder de omstandigheden, te beslissen of de verwerving van Notes (i) geheel in overeenstemming is met de financiële behoeften, doelstellingen en voorwaarden van gegadigde (of, indien de verwerving fiduciair is, van de begunstigde), (ii) geheel in overeenstemming is met het investeringsbeleid en mogelijke toepasselijke richtlijnen en restricties (ongeacht of de Notes worden verworven door een principaal of fiduciair), en (iii) een juiste en geschikte investering is voor de gegadigde (of, indien de verwerving fiduciair is, de begunstigde), zulks ongeacht de duidelijke en aanzienlijke risico's verbonden aan het houden van Notes.

### **Eigen verantwoordelijkheid**

Gegadigden dienen bij hun beslissing over aankoop niet te vertrouwen op de Issuer, Dealers of hun respectieve aanverwante partijen voor wat betreft de rechtmatigheid van de verwerving van de Notes of enige andere hierboven beschreven bijzonder aandachtspunt.

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Pricing Supplement. Words and expressions defined in Terms and Conditions of the Notes below shall have the same meanings in this summary. Unless the context otherwise requires, references in this summary to the 'Rabobank Group', 'Rabobank' or the 'Group' are to Rabobank Nederland and its members, subsidiaries and affiliates, and references to the 'Bank' are to Rabobank Nederland.*

<b>Date:</b>	January 25, 2005
<b>Issuer:</b>	Rabobank Nederland
<b>Principal Activities:</b>	In the Netherlands, the Rabobank Group follows an 'Allfinanz' concept, meaning it provides an integrated range of financial services comprised primarily of retail banking, wholesale banking, asset management and investment, insurance and leasing to a wide range of both individual and corporate customers. As an Allfinanz provider, the Group focuses on operations that produce fee-based income in addition to the Group's traditional interest-based income sources. For example, Rabobank is active in insurance through Interpolis N.V., the fifth largest Dutch insurance company in terms of premium turnover, and in asset management through Robeco Group N.V., the largest Dutch retail investment manager in terms of assets under management, in which Rabobank Nederland currently owns a 100 per cent. equity interest. Internationally, Rabobank pursues a niche strategy in investment and international corporate banking through Rabobank International
<b>Objects:</b>	According to article 3 of its Articles of Association, the object 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 labor 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 Act on the Supervision of the Credit System 1992 ( <i>Wet toezicht kredietwezen 1992</i> ), hereinafter referred to as the 'Netherlands Act', or any act that replaces it and (vi) doing all such other things as may be regarded as being incidental or conducive to the attainment of the objects specified under (i), (ii), (iii), (iv) and (v) above.
<b>Description:</b>	Principal Protected Medium Term Note Programme
<b>Size:</b>	Up to Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
<b>Dealers:</b>	Rabobank Nederland Rabobank International Rabo Securities N.V.

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to Permanent Dealers are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to Dealers are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

<b>Fiscal Agent:</b>	Deutsche Bank AG
<b>Distribution:</b>	Notes of each Tranche may be issued by way of private or public placement and in each case on a syndicated or non-syndicated basis, as specified in the relevant Pricing Supplement.
<b>Issue Price:</b>	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	<p>The Notes will be issued in bearer form.</p> <p>Each Tranche of Notes will initially be represented by a temporary Global Note, without interest coupons, which will be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer. No interest will be payable in respect of a temporary Global Note except as described under <i>Summary of Provisions Relating to the Notes while in Global Form</i>. Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Pricing Supplement, for definitive Notes after the date falling 40 days after the issue date of the Tranche as certified in writing by the relevant Dealer upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in bearer form as described under <i>Summary of Provisions Relating to the Notes while in Global Form</i>.</p>
<b>Clearing Systems:</b>	Euroclear, Clearstream, Luxembourg or such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, the temporary Global Note representing the Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes relating to Notes that are not listed on Euronext Amsterdam or the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant specified currency.
<b>Denomination:</b>	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions and the 1998 ISDA Euro Definitions (each as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

**Principal Protection:**

In no circumstances will any Notes be repayable at less than 100 per cent. of their nominal amount.

**Index Linked Notes:**

Payments of principal in respect of Index Linked Redemption Amount Notes or of interest in the case of Index Linked Interest Notes will be calculated by reference to such index and/or formula or changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree (as indicated in the relevant Pricing Supplement).

**Equity Linked Notes:**

Equity Linked Notes may be settled at maturity or otherwise by receipt by the holder(s) of a cash amount linked to the value of the relevant Underlying Securities (as indicated in the relevant Pricing Supplement).

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

**Zero Coupon Notes:**

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

**Risk:**

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Notes. Before making an investment decision prospective investors should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this prospectus (for the Dutch market) (the 'Offering Circular') and, in particular, the considerations set out in 'Special Considerations' on page 7 and onwards. The majority of this Offering Circular is in English. However, for the convenience of prospective investors, a Dutch translation of the 'Special Considerations' section has also been provided.

<b>Redemption:</b>	<p>The relevant Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>The relevant Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the relevant Pricing Supplement.</p>
<b>Status of Notes:</b>	<p>The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in <i>Terms and Conditions of the Notes – Status</i>.</p>
<b>Cross Default:</b>	<p>See <i>Terms and Conditions of the Notes – Events of Default</i>.</p>
<b>Taxation:</b>	<p>Rabobank Nederland is a Dutch resident for tax purposes. For the Dutch tax consequences for the Noteholders, see ‘Taxation’.</p>
<b>Withholding Tax:</b>	<p>All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Netherlands (or any other relevant business jurisdiction of the Issuer), subject to the exceptions and limitations as described in <i>Terms and Conditions of the Notes – Taxation</i>.</p>
<b>Rating:</b>	<p>Notes to be issued under the Programme may be rated or unrated. Generally, however, Notes issued under the Programme will be unrated.</p>
<b>Governing Law:</b>	<p>Netherlands law.</p>
<b>Subscription period:</b>	<p>If applicable, see the relevant Pricing Supplement.</p>
<b>Effective yield:</b>	<p>If applicable, see the relevant Pricing Supplement.</p>
<b>Listing:</b>	<p>Euronext Amsterdam, the Luxembourg Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.</p>
<b>Selling Restrictions:</b>	<p>See <i>Subscription and Sale</i>.</p> <p>The Issuer is a Category 1 issuer for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>The Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (the <b>D Rules</b>) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the <b>C Rules</b>) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Note will not constitute registration required obligations under the United States Tax Equity and Fiscal Responsibility Act of 1982 (<b>TEFRA</b>), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.</p>
<b>Use of Proceeds:</b>	<p>The net proceeds from the Notes will be used by the Issuer for general corporate purposes.</p>

## FORM OF PRICING SUPPLEMENT

[POTENTIAL PURCHASERS OF THESE NOTES SHOULD BE AWARE THAT THE RETURN OF PRINCIPAL ON THESE NOTES IS LINKED TO THE VALUE OF EQUITY SECURITIES. MOVEMENTS IN THE VALUE OF THE EQUITY SECURITIES MAY ADVERSELY AFFECT THE VALUE OF THESE NOTES. NEVERTHELESS, IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED FOR LESS THAN PAR.]\*

[POTENTIAL PURCHASERS OF THESE NOTES SHOULD UNDERSTAND THAT AMOUNTS DUE IN RESPECT OF PRINCIPAL ON THE NOTES WILL BE DEPENDENT UPON THE PERFORMANCE OF THE INDEX (AS DEFINED HEREIN), AS MORE FULLY SET OUT HEREIN. NEVERTHELESS, IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED FOR LESS THAN PAR.]\*\*

[Date]

### RABOBANK NEDERLAND

#### Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Euro 5,000,000,000 Principal Protected Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated January 25, 2005. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

A Dutch language summary of the principal terms of the Notes is contained in the Schedule hereto.

*[Include whichever of the following apply or specify as Not Applicable (N/A). Note that the numbering should remain as set out below, even if Not Applicable is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: Rabobank Nederland
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
– Tranche: [ ]  
– Series: [ ]
5. Issue Price of Tranche: [ ] per cent.
6. Specified Denominations: [ ]
7. (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [ ]
8. Maturity Date: *[Fixed rate – specify date/  
Floating rate – Interest Payment Date falling in or nearest to  
[specify month and year]]*
9. Interest Basis: [[ ] per cent. Fixed Rate]  
*[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]*  
[Zero Coupon]  
[Index Linked Interest]  
*[specify other]*  
(further particulars specified below)

\* Insert for Equity Linked Notes (amended as appropriate)

\*\* Insert for Index Linked Notes

10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
*[specify other]*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: [Issuer Call]  
*(Condition 4(c))* [(further particulars specified below)]
13. Status of the Notes: Senior
14. Listing: [Euronext Amsterdam/Luxembourg/specify other/None]
15. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]  
*(Condition 3(a))* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/  
*[specify other]*  
*(NB this will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per [ ] in nominal amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or specify other]
- (vi) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ISMA)]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(Condition 3(b))* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]  
*(Condition 3(b)(i))*
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[specify other]*]
- (iii) Additional Business Centre(s): [ ]  
*(Condition 3(b)(i) – definition of Business Day)*
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]  
*(Condition 3(b)(ii))*
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]

- (vi) Screen Rate Determination: [Applicable/Not Applicable]  
*(Condition 3(b)(ii)(B))*
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro (LIBOR)), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Telerate 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (vii) ISDA Determination: [Applicable/Not Applicable]  
*(Condition 3(b)(ii)(A))*
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (viii) Margin(s): [+/-][ ] per cent. per annum
- (ix) Minimum Rate of Interest: [ ] per cent. per annum  
*(Condition 3(b)(iii))*
- (x) Maximum Rate of Interest: [ ] per cent. per annum  
*(Condition 3(b)(iii))*
- (xi) Day Count Fraction: [Actual/Actual  
 Actual/365  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 30/360  
 30E/360  
 Other]  
*(See Condition 3 for alternatives)*
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]

#### PROVISIONS RELATING TO ZERO COUPON NOTES

18. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]  
*(Condition 4(e)(iv))*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]
  - (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [ ]  
*(Consider applicable day count fraction if euro denominated)*

#### PROVISIONS RELATING TO DUAL CURRENCY NOTES

19. **Dual Currency Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*  
(Condition 3(c) or 4(e))
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO EQUITY LINKED NOTES**

20. **Equity Linked Note Provisions:** [Applicable/Not Applicable]  
(Condition 5) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Underlying Securities and/or formula to be used to determine principal and/or interest or the Equity Linked Securities Amount: [ ]
  - (ii) Equity Linked Securities Amount: [ ]
  - (iii) Provisions where calculation by reference to the Underlying Securities and/or formula is impossible or impracticable: [ ]
  - (iv) Equity Valuation Date(s): [ ]
  - (v) Valuation Time: [ ]
  - (vi) Stock Exchange/Related Exchange: [ ]
  - (vii) Details of any other relevant terms, any stock exchange requirements/tax considerations: [ ]
  - (viii) Method of calculating Early Redemption Amount (if for reasons other than following a redemption for tax reasons or an Event of Default): [ ]  
*[(In no circumstances should the Early Redemption Amount be less than par)]*
  - (ix) Such other additional terms or provisions as may be required: [ ]

**PROVISIONS RELATING TO INDEX LINKED NOTES**

21. **Index Linked Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula [Indices/Formulas]: *[give or annex details]*  
(Condition 6)

- (ii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *(Condition 6)* [ ]
- (iii) Specified Period(s)/Specified Interest Payment Dates: *(Condition 3(a) or 3(b) or 3(e))* [ ]
- (iv) Business Day Convention: *(Condition 3(a) or 3(b) or 3(e))* [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (v) Additional Business Centre(s): *(Condition 3(b))* [ ]
- (vi) Minimum Rate of Interest: *(Condition 3(b)(iii))* [ ] per cent. per annum
- (vii) Maximum Rate of Interest: *(Condition 3(b)(iii))* [ ] per cent. per annum
- (viii) Day Count Fraction: *(Condition 3(a) or 3(b))* [ ]
- (ix) Name of Sponsor: *(Condition 6)* [ ]
- (x) Stock Exchange/Related Exchange: *(Condition 6)* [ ]
- (xi) Valuation Date: *(Condition 6)* [ ]

#### PROVISIONS RELATING TO REDEMPTION

22. **Issuer Call:** *(Condition 4(c))* [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) If redeemable in part: [ ]
- (a) Minimum Redemption Amount of each Note: [ ]
- (b) Maximum Redemption Amount of each Note: [ ]
- (iv) Notice period (if other than as set out in the Conditions): [ ] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of Information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
23. Issuers option to redeem on basis of Nationalisation or Insolvency in relation to Equity Linked Notes: *(Condition 4(d))* [Applicable/Not Applicable]  
*If applicable:*  
Notice period: [ ]
24. Final Redemption Amount of each Note: *(Condition 4(a))* [[ ] per Note of [ ] Specified Denomination/specify other/see Appendix]  
*(In no circumstances should the Final Redemption Amount be less than par)*

25. Early Redemption Amount of each Note payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in *Condition 4(e)*): [ ] *[(In no circumstances should the Early Redemption Amount be less than par)]*
26. Price Information and Purchase Offer: [Applicable/Not Applicable] *[(if not applicable delete the remaining sub-paragraphs of this paragraph)]*
- (i) Indicative bids provided: [weekly/monthly/other/none]
- (ii) Note Purchase Dates [third Friday in each calendar month commencing on [ ] and terminating on [ ]]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Domestic Note: (if Domestic Note, there will be no gross-up for withholding tax): [No/Yes] *(Condition 8)*
28. Form of Notes: *(Condition 1)* Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the circumstances set out in the Permanent Global Note [and/or by the holder giving [60] days notice to the Fiscal Agent of its election for exchange] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.] [Permanent Global Note exchangeable for Definitive Notes [on 60 days notice given at any time/only upon an Exchange Event]]
29. Additional Financial Centre(s) or other special provisions relating to Payment Day: [Not Applicable/give details] *(Note that this item relates to the place of payment and not Interest Period end dates to which item 17(iii) relates)* *(Condition 7(e))*
30. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
31. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues] *(Conditions 3(d) and 4(g))*
32. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details] *(Condition 4(f))*
33. Redenomination applicable: Redenomination [not] applicable *[(if Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Pricing Supplement)]*
34. Calculation Agent: [ ]
35. Other terms or special conditions: [Not Applicable/give details]

## DISTRIBUTION

36. (i) If syndicated, names of Managers: [Not Applicable/*give names*]  
(ii) Stabilising Manager (if any): [Not Applicable/*give name*]
37. If non-syndicated, name of relevant Dealer: [ ]
38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
39. Additional selling restrictions: [Not Applicable/*give details (Unlisted Notes outside the Netherlands only)*]
40. Effective yield of the Notes (*Euronext Amsterdam listed Notes only*): [ ] per cent.
41. Use of proceeds (*Euronext Amsterdam listed Notes only*): [ ]
42. Net proceeds (*Euronext Amsterdam listed Notes only*): [ ]
43. Costs of Issue [Not Applicable/Applicable if Unlisted Notes are issued in the Netherlands]  
(i) Costs borne by purchasers of Notes: [*give details*]  
(ii) Commission paid to intermediaries: [*give details*]  
(iii) Other costs: [*give details*]

## OPERATIONAL INFORMATION

44. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
45. Delivery: Delivery [against/free of] payment
46. Additional Paying Agent(s) (if any): [ ]

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ISIN: [ ]  
Common Code: [ ]  
Fondscore: [ ]  
(*Euronext Amsterdam Listed Notes only*):

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## LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Euro 5,000,000,000 Principal Protected Medium Term Note Programme of Rabobank Nederland.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

If the relevant Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 2, 3, 4, 13 and 15, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

## **ADDITIONAL REQUIREMENTS FOR EQUITY LINKED NOTES LISTED ON AN EXCHANGE**

In the case of Equity Linked Notes to be listed on the Luxembourg Stock Exchange in addition to the above form of Pricing Supplement being referred to as a Supplementary Offering Circular, the Supplementary Offering Circular shall include the following:

### **Additional Requirements**

Subject as set out below the Issuer accepts responsibility for the information contained in this Supplemental Offering Circular. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplemental Offering Circular is (subject as set out below) in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained herein relating to [insert details of Underlying Security] consists of extracts from, or summaries of, information that is publicly available. The Issuer accepts responsibility for accurately reproducing such extracts or summaries. The Issuer accepts no further or other responsibility in respect of such information.

*[Information to be inserted to comply with any disclosure requirements of the relevant stock exchange in respect of the Underlying Security.]*

## **ADDITIONAL REQUIREMENTS FOR INDEX LINKED NOTES LISTED ON AN EXCHANGE**

In the case of Index Linked Notes to be listed on Euronext Amsterdam or the Luxembourg Stock Exchange, further disclosure will be required regarding the relevant index which will include data concerning the historic performance of such index.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. These terms and conditions as completed, amended, supplemented or varied by the relevant Pricing Supplement (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to Notes are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

This Note is one of a Series (as defined below) of Notes issued by Rabobank Nederland (the **Issuer**). The Notes are issued pursuant to an amended and restated Agency Agreement dated April 2, 2004 as supplemented by a Supplemental Agency Agreement dated January 25, 2005 (as amended or supplemented as at the date of issue of the Notes (the **Issue Date**), together the **Agency Agreement**) between Rabobank Nederland, Deutsche Bank AG London as fiscal agent and the other agents named in it and with the benefit of a Covenant (as amended or supplemented as at the Issue Date, the **Covenant**) dated April 2, 2004 executed by Rabobank Nederland in relation to the Notes. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent) and the **Calculation Agent(s)**. The Noteholders (as defined below), the holders of the interest coupons (the **Coupons**) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the **Talons**) (the **Couponholders**) and the holders of the receipts for the payment of instalments of principal (the **Receipts**) relating to Notes of which the principal is payable in instalments (the **Receiptholders**) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

The Pricing Supplement for the Notes (or the relevant provisions thereof) are attached to or endorsed on the Notes and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of the Notes. References to the **relevant Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the Notes.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and Series means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement, the Covenant and the ISDA Definitions (as defined in Condition 3(b)(ii)(A)) are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

Words and expressions defined in the Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

### 1. Form, Denomination and Title

The Notes are issued in bearer form in the Denomination(s) shown in the relevant Pricing Supplement.

The Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

The Notes are represented either by a note in global form (**Global Note**) or by definitive Notes in bearer form (**Definitive Notes**).

Title to the Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, **Noteholder** means the bearer of any Note and the Receipts relating to it, **holder** means the bearer of any Note, Receipt, Coupon or Talon and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. Status

### **Status of Notes**

The Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* among themselves and (subject as aforesaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

## 3. Interest and Other Calculations

### **(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

Except as provided in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

if Actual/Actual (ISMA) is specified in the applicable Pricing Supplement:

- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

if 30/360 is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

**(b) Interest on Floating Rate Notes and Index Linked Interest Notes**

*(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the relevant Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, each date (each an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the relevant Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the relevant Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland and Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the **TARGET System**) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the relevant Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions and the 1998 ISDA Euro Definitions, each as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (2) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro- zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the relevant Pricing Supplement.

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

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

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Supplement.

*(iii) Minimum Rate of Interest and/or Maximum Rate of Interest*

If the relevant Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the relevant Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

*(iv) Determination of Rate of Interest and Calculation of Interest Amounts*

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if Actual/365 or Actual/Actual is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if Actual/365 (Fixed) is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if Actual/365 (sterling) is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if Actual/360 is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if 30/360, 360/360 or Bond Basis is specified in the relevant Pricing Supplement, the number of days in the Interest 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 (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if 30E/360 or Eurobond Basis is specified in the relevant Pricing Supplement, the number of days in the Interest 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, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) Interest on Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

**(d) Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.

**(e) Interest on Equity Linked Notes**

In the case of Equity Linked Notes, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

**(f) Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

**4. Redemption and Purchase**

**(a) Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date or, in the case of Instalment Notes, at the Instalment Amount due on each Instalment Date (each as specified in the relevant Pricing Supplement) at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement in the relevant Specified Currency. In no circumstances shall the Final Redemption Amount be less than par.

**(b) Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time, on giving not less than 30 nor more than 45 days notice to the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount (calculated as specified in Condition 4(e) together with interest accrued to the date fixed for redemption if;

- (i) on the occasion of the next payment or delivery due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Netherlands (or any other business jurisdiction of the Issuer, as referred in Condition 8) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by an Executive Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

**(c) Redemption at the Option of the Issuer (Issuer Call)**

If Issuer Call is specified in the relevant Pricing Supplement, the Issuer may, having given:

- (i) not less than 5 days notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Fiscal Agent;

(which notices shall be irrevocable and shall specify the Optional Redemption Date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the relevant Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot without involving any part only of a Note, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

**(d) Redemption of Equity Linked Notes following Nationalisation or Insolvency**

If so specified in the relevant Pricing Supplement, on the occurrence of any of the events described in (iv) and (v) in the definition of Extraordinary Event in Condition 5, the Issuer may, having given:

- (i) not less than 5 days notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Fiscal Agent,

redeem all, but not some only, of the Notes then outstanding on the date specified in the notice referred to in (i) above at the Equity Linked Securities Amount specified in the relevant Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the date of redemption.

**(e) Early Redemption Amounts**

For the purposes of Condition 4(b) and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof, together with, unless otherwise specified in the relevant Pricing Supplement, an amount in respect of interest (if any) accrued on such Note from and including the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date to and including the date of redemption; or
- (ii) in the case of Notes (other than Equity Linked Notes, Indexed Redemption Amount Notes or Zero Coupon Notes, but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the relevant Pricing Supplement or, if no such amount or manner is so specified in the relevant Pricing Supplement, at their nominal amount, together with, unless otherwise specified in the relevant Pricing Supplement, an amount in respect of interest (if any) accrued on such Note from and including the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date to and including the date of redemption; or
- (iii) in the case of Indexed Redemption Amount Notes or Equity Linked Notes, as determined in the manner specified in the relevant Pricing Supplement; or
- (iv) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the relevant Pricing Supplement; or

- (v) such other amount as is provided in the relevant Pricing Supplement.

In no circumstances shall the Early Redemption Amount be less than par.

**(f) Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 4(d).

**(g) Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 4 and the relevant Pricing Supplement.

**(h) Purchases**

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

**(i) Price Information and Purchase Offer**

If Price Information and Purchase Offer is stated in the relevant Pricing Supplement as being applicable, then Rabobank Nederland will provide indicative prices for the Notes and will offer to repurchase the Notes from Noteholders in a manner as specified in the relevant Pricing Supplement.

**(j) Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

**(k) Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 4(e)(iv) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

**5. Provisions Applicable to Equity Linked Notes**

The following provisions apply to Equity Linked Notes:

**(a) Adjustments**

As soon as reasonably practicable, following the occurrence of any Potential Adjustment Event or any Extraordinary Event (each as defined below), the Calculation Agent shall, in its sole discretion, determine (as soon as practicable thereafter) the appropriate adjustment, if any, to be made to any of these Conditions in relation to the Notes to account for the diluting or concentrative effect of such event or otherwise necessary to preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such event, such adjustment to be effective as of the date determined by the Calculation Agent.

For the purposes of this Condition:

**Extraordinary Event** means the occurrence on or prior to any Valuation Date (as defined below) of any of the following:

- (i) the Underlying Securities are reclassified or changed (other than a change in par value, if any, as a result of a subdivision or combination); or
- (ii) the issuer of the Underlying Securities consolidates, amalgamates or merges with or into another entity (other than a consolidation, amalgamation or merger following which the issuer is the surviving entity); or
- (iii) the Underlying Securities are the subject of a Takeover (as defined below); or
- (iv) by reason of the adoption of or any change in any applicable law, the assets of the issuer of the Underlying Securities, or all of the outstanding Underlying Securities, are nationalised, expropriated or otherwise required to be transferred to any government, governmental agency or authority; or
- (v) by reason of the bankruptcy or insolvency (or other analogous event) of the issuer of the Underlying Securities (A) all such Underlying Securities are required to be transferred to any trustee, liquidator or similar official or (B) holders of such Underlying Securities become legally prohibited from transferring them; or

- (vi) the Underlying Securities are exchanged in whole for replacement assets, where the Calculation Agent shall, in its sole and absolute discretion, conclude that the consequence of such replacement is not to alter materially the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such event; or
- (vii) the Underlying Securities are redeemed in whole prior to their scheduled maturity date (if applicable) or otherwise cease to exist for any reason prior to any such date, unless the Calculation Agent shall, in its sole and absolute discretion, conclude that there is outstanding at such time, an alternative debt security or obligation of the issuer of the Underlying Securities (**Alternative Securities**) which, if substituted for the Underlying Securities, would materially preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such event, in which event references in these Conditions to the Underlying Securities shall be deemed to refer instead to the Alternative Securities;

**Potential Adjustment Event** means the declaration by, or on behalf of, the issuer of the Underlying Securities of the terms of any of the following:

- (i) a subdivision, consolidation or reclassification of any Underlying Securities (unless such event is an Extraordinary Event (as defined above)) or a free distribution of any Underlying Securities to existing holders by way of bonus, capitalisation or similar issue; or
- (ii) a distribution to existing holders of any Underlying Securities of (a) additional Underlying Securities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Underlying Securities equally or proportionately with such payments to holders of the Underlying Securities or (c) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent; or
- (iii) a call in respect of any Underlying Securities that is not fully paid; or
- (iv) a repurchase by the issuer of any Underlying Securities, whether out of profits or capital and whether the consideration for such repurchase is in cash, new shares, securities or otherwise; or
- (v) any event in respect of the Underlying Securities analogous to any of the foregoing events or otherwise having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the market value of the Underlying Securities; and

**Takeover** in relation to any Underlying Securities means any acquisition or offer as a result of which a person acquires or offers to acquire, whether by a series of transactions over a period of time or not, shares or interests, of any size, in shares which (either alone or taken together with shares or interests in shares held or acquired by persons acting in concert with such person) amount to 50 per cent. or more of the nominal value of the outstanding share capital of the relevant issuer of the relevant Underlying Securities.

In determining whether an adjustment should be made as a result of the occurrence of a Potential Adjustment Event or an Extraordinary Event, if options contracts or futures contracts on the Underlying Securities are traded on any stock exchange, the Calculation Agent may have regard to, but shall not be bound by, any adjustment to the terms of the relevant options contract or futures contract made and announced by such stock exchange.

**(b) Equity Valuation Date(s) and Market Disruption Event**

If any date specified in the relevant Pricing Supplement as being a date of valuation or determination in respect of a Note (the **Equity Valuation Date**) is not an Equity Valuation Business Day (as defined below), such Equity Valuation Date shall be the following day which is an Equity Valuation Business Day. If the Calculation Agent determines that there is a Market Disruption Event on that day, then the Equity Valuation Date shall be the first succeeding Equity Valuation Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Equity Valuation Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Equity Valuation Date. In that case (i) the fifth Equity Valuation Business Day shall be deemed to be the Equity Valuation Date, notwithstanding the Market

Disruption Event, and (ii) the Calculation Agent shall determine the official closing price (or such other price as may be specified in the relevant Pricing Supplement) of the Underlying Securities as of the Valuation Time on that fifth Equity Valuation Business Day in accordance with its good faith estimate of the price of the Underlying Securities that would have prevailed, but for the Market Disruption Event, on that fifth Equity Valuation Business Day.

For purposes of this Condition:

**Equity Valuation Business Day** means a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each of the relevant stock exchange(s) specified in the relevant Pricing Supplement (for the purposes of this Condition 5(b), the **Stock Exchange(s)**) and any Related Exchanges (as defined below) other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time;

**Related Exchange** means another exchange or quotation system (as specified in the relevant Pricing Supplement or notified from time to time to Noteholders in accordance with Condition 15), if any, on which the Underlying Securities or options contracts or futures contracts on the Underlying Securities are traded or quoted, and as may be selected from time to time by the Calculation Agent; and

**Market Disruption Event** means the occurrence or existence on the Equity Valuation Date during the two hour period prior to the close of trading (or such other time as may be specified in the relevant Pricing Supplement) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by such Stock Exchange(s) or otherwise) on:

- (i) the Stock Exchanges of the Underlying Securities or securities generally; or
- (ii) the Stock Exchanges or on any Related Exchange of options contracts or futures contracts on the Underlying Securities or options or futures on securities generally; or
- (iii) the Underlying Securities,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant stock exchange or any Related Exchange.

## 6. Provisions Applicable to Index Linked Notes

The following provisions apply to Index Linked Notes:

### (a) *Adjustment to an Index*

If the Index (as defined in the relevant Pricing Supplement) is (i) not calculated and announced by the sponsor specified in the relevant Pricing Supplement (the **Sponsor**) but is calculated and published by a successor to the Sponsor (the **Successor Sponsor**) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index or (iii) not in existence on or prior to the Valuation Date, but the Calculation Agent considers there to be in existence at such time an alternative index which, if substituted for the Index, would materially preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such substitution, then the Index will be deemed to be the index so calculated and published by the Successor Sponsor or that successor or alternative index, as the case may be.

If (A) on or prior to the Maturity Date in respect of any Series of Index Linked Notes the Sponsor or (if applicable) the Successor Sponsor of an Index makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events), or (B) on or prior to any such Maturity Date the Sponsor or (if applicable) the Successor Sponsor of an Index fails to calculate and publish the Index, then the Calculation Agent shall determine the Rate of Interest or the Final Redemption Amount

(as the case may be) using, in lieu of a published level of the Index, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant stock exchange).

If any value of the Index published on a given day and used or to be used by the Calculation Agent to determine the Rate of Interest or the Final Redemption Amount (as the case may be) is subsequently corrected and the correction is published by the Sponsor within 20 days of the original publication, the Calculation Agent shall notify the Issuer and the Fiscal Agent of (a) that correction and (b) the amount of principal and/or interest that is payable as a result of that correction and as soon as reasonably practicable thereafter, the Issuer shall make payment of such amount in accordance with Condition 7.

The Calculation Agent will notify the level of the Index as of a particular date upon application by telephone or facsimile by an interested person during normal business hours.

**(b) Valuation Date**

If the date specified in the relevant Pricing Supplement as being the date of valuation or determination in respect of an Index Linked Note (the **Valuation Date**) is not an Index Business Day or there is a Market Disruption Event on that day (each as defined below), the Valuation Date shall be postponed until the next day which is an Index Business Day unless, in the opinion of the Calculation Agent, there is a Market Disruption Event (as defined below) on that day. If there is a Market Disruption Event on that day, then the Valuation Date shall be the first succeeding Index Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case (i) the fifth Index Business Day shall be deemed to be the Valuation Date, notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine the level of the Index on that fifth Index Business Day in accordance with its good faith estimate of the level of the Index that would have prevailed, but for the Market Disruption Event, on that fifth Index Business Day.

For the purposes of this Condition:

**Index Business Day** means a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each of the relevant stock exchange(s) specified in the relevant Pricing Supplement (for the purposes of this Condition 6, the Stock Exchange(s)) and any Related Exchanges (as defined below) other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time;

**Market Disruption Event** means the occurrence or existence on any Index Business Day during the two hour period prior to the close of trading (or such other time as may be specified in the relevant Pricing Supplement) of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange(s) or otherwise) on:

- (i) the Stock Exchange(s) of securities/commodities that comprise 20 per cent. or more of the level of the Index; or
- (ii) any Related Exchange of options contracts or futures contracts on the Index,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Stock Exchange(s) or any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security/commodity included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation; and

**Related Exchange** means another exchange or quotation system, if any, on which options contracts or futures contracts on the Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

## 7. Payments

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in a Currency other than euro will be made by credit or transfer to an account in the Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment.

### (b) *Presentation of Definitive Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest (if any) in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Coupon, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Equity Linked Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned

above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the relevant due date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Equity Linked Notes, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than an Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

**(c) *Payments in respect of Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or surrendered and such record shall be prima facie evidence that the payment in question has been made.

**(d) *General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 7, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**(e) Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Melbourne or Auckland and Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

**8. Taxation**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands (or any other relevant business jurisdiction of the Issuer) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) in the Netherlands;
- (ii) by or on behalf of a holder thereof who is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of such holder having some connection with the Netherlands other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof;
- (iii) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or Certificate representing it), Receipt or Coupon is presented for payment;
- (iv) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings income implementing the conclusion of the ECOFIN Council meetings of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU, not obliged to withhold or deduct tax pursuant to any EC Directive as mentioned under this Condition 8 (iv);

- (vi) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (vii) if it is provided in the relevant Pricing Supplement that the Notes are Domestic Notes for the purpose of this Condition.

As used in these Conditions, **Relevant Date** in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Installment Amounts, Final redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) interest shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) principal and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. Prescription

Claims against the Issuer for payment of principal or interest in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

## 10. Events of Default

If any of the following events (Events of Default) occurs, the holder of any Note may by written notice to the Issuer at the specified office of the Agent declare such Note to be forthwith due and payable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Issuer:

- (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 Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure continues for the period of 60 days next following the service on the Issuer, of notice requiring the same to be remedied; or
- (iii) the Issuer fails in the due repayment of borrowed money which exceeds Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court; or
- (iv) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of Noteholders) or the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (v) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 71 of the 1992 Act on the supervision of the credit system (Wet toezicht kredietwezen 1992), as modified or re-enacted from time to time, of the Netherlands in respect of Rabobank Nederland; or
- (vi) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

## 11. Agents

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below.

The Fiscal Agent and the Paying Agents, act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents provided that the Issuer shall at all times maintain:

- (i) a Fiscal Agent;
- (ii) one or more Calculation Agent(s) where the Conditions so require;
- (iii) if and for so long as the Notes are listed on any stock exchange which rules require the appointment of a Paying Agent in any particular place, a Paying Agent having its specified office in the place required by the rules of such stock exchange; and
- (iv) if the European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings income implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any such directive or law.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 7.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

## 12. Meeting of Noteholders, Modifications and Substitutions

### (a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of any of the Notes, any Instalment Date or any date for payment of interest or interest amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest is shown in the relevant Pricing Supplement, to reduce any such Minimum and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Extraordinary Resolution, or (viii) to take any steps that as specified in the relevant Pricing Supplement may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended by the Issuer (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or (ii) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons, to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, consent.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

**(b) Modification and Amendment of Agency Agreement**

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

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

**(c) Substitution of the Issuer**

- (i) The Issuer or any previous substitute of the Issuer under this Condition may and the Noteholders and the Couponholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this Condition may at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Notes or undertake its obligations in respect of the Notes through any of its branches (any such company or branch, the **Substituted Debtor**), provided that:
  - (a) such documents shall be executed by the Substituted Debtor and the Issuer or any previous substitute as aforesaid as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by these Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee of the Issuer herein referred to as the **Substitution Guarantee**);
  - (b) without prejudice to the generality of sub-paragraph (a) hereof, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, or is undertaking its obligations with respect to the Notes through a branch in another such territory, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 above with the substitution for the references to the Netherlands (or any previously substituted territory as the case may be) territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes or, where such Issuer is undertaking its obligations with respect to the Notes through a branch, with the addition of references to the territory in which such branch is located;
  - (c) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer that (a) the Substituted Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee

in respect of the obligations of the Substituted Debtor, that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substituted Debtor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Noteholder and that, in the case of the Substituted Issuer undertaking its obligations with respect to the Notes through a branch, the Notes remain the valid and binding obligations of such Substituted Issuer; and

- (d) Condition 10 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
- (ii) Upon the Documents becoming valid and binding obligations of the Substituted Debtor and the Issuer and subject to notice having been given in accordance with paragraph (iv) below, the Substituted Debtor shall be deemed to be named in the Notes and Coupons as the principal debtor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Notes and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (iv) below shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes and Coupons.
- (iii) The Documents referred to in paragraph (i) above shall be deposited with and held by the Fiscal Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor or the Issuer by any Noteholder and Couponholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer acknowledge the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes and Coupons or the Documents.
- (iv) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 15.
- (v) For the purposes of this Condition 12, the term **control** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in like relationship to such first-mentioned company, and for this purpose **voting shares** means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof, and **controlling, controlled** and **under common control** shall be construed accordingly.

### 13. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (except for the Issue Price and the first Interest Payment Date) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to Notes shall be construed accordingly.

#### **15. Notices**

All notices regarding the Notes will be deemed to be validly given if published (i) in a leading Dutch language daily newspaper of general circulation in Amsterdam, (ii) if and for so long as the Notes are listed on Euronext Amsterdam, in the Daily Official List of Euronext Amsterdam and (iii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in *Het Financieele Dagblad* in Amsterdam and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange (or any other relevant authority) and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any account holder to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### **16. Additional Obligations**

For so long as the Notes are listed on Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20 of Schedule B of the Listing Rules (Fondsenreglement) of Euronext Amsterdam (as amended from time to time).

#### **17. Governing Law and Jurisdiction**

##### **(a) Governing Law**

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Netherlands.

##### **(b) Jurisdiction**

The competent courts of Amsterdam are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (**Proceedings**) may be brought in such courts. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

Each Tranche of Notes will be initially represented by a temporary Global Note, in bearer form without coupons, which will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg, or (b) in the case of a Tranche intended to be cleared through a clearing system, as otherwise agreed between the Issuer and the relevant Dealer, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note with the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed.

Any payment due in respect of a Global Note will be made to each of Euroclear or Clearstream, Luxembourg. An accountholder with Euroclear or Clearstream, Luxembourg with an interest in a temporary Global Note will be required, in order to have credited to its account any portion of any payment, to present a certificate in the form set out in the Agency Agreement substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person (as such terms are defined by the U.S. Internal Revenue Code of 1986, as amended), and the regulations promulgated thereunder.

### Relationship of Accountholders with Clearing Systems

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

### Exchange

1. *Temporary Global Notes*. Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:
  - (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
  - (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.
2. *Permanent Global Notes*. Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under Partial Exchange of Permanent Global Notes, in part for Definitive Notes:
  - (i) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
  - (ii) if the relevant Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; or
  - (iii) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an **Alternative Clearing System**) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3. *Partial Exchange of Permanent Global Notes.* For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.
4. *Delivery of Notes.* On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, **Definitive Notes** means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.
5. *Exchange Date.* **Exchange Date** means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after the later of the commencement of its offering and its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.
6. *Legend.* Each temporary Global Note, permanent Global Note and any Definitive Note, Talon, Coupon or Receipt issued in compliance with the D Rules under TEFRA will bear the following legend:

Any United States person (as defined in the Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Notes or any related Coupons.

### **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

1. *Payments.* No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of

that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

2. *Prescription.* Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which such payment first becomes due.
3. *Meetings.* The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged.
4. *Cancellation.* Cancellation of any Note represented by a permanent Global Note that is required to be cancelled will be effected by reduction in the nominal amount of the relevant permanent Global Note.
5. *Purchase.* Notes represented by a permanent Global Note may only be purchased by the relevant Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
6. *Issuers Option.* Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system or Approved Intermediary in respect of the Notes will be governed by the standard procedures of Euroclear or Clearstream, Luxembourg or any other clearing system (as the case may be).
7. *Events of Default.* Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer under the terms of a Covenant executed by the Issuer on April 2, 2004 to come into effect in relation to the whole or a part of such Global Note in favour of the persons entitled to such part of such Global Note as account holders with a clearing system. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.
8. *Notices.* So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that (a) so long as the Notes are listed on Euronext Amsterdam and the rules of that exchange so require, notices shall also be published in the Daily Official List of Euronext Amsterdam and (b) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

### **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes (subject to the provisions of the applicable Pricing Supplement and relevant provisions of law) and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

The net proceeds from the Notes will be used by the Issuer for general corporate purposes.

## DESCRIPTION OF BUSINESS OF THE RABOBANK GROUP

### General

The Rabobank Group is one of the largest banking organizations in the Netherlands and the largest mortgage lending and savings organization in the Netherlands by market share. We are one of the 25 largest banking institutions in the world in terms of assets and Tier 1 capital. We offer a broad range of financial, insurance and asset management services across retail, corporate and commercial sectors, both domestically and internationally. The Rabobank Group has the highest credit ratings awarded by the international rating agencies Moody's (Aaa since 1986) and Standard & Poor's (AAA since 1985). On a consolidated basis, our total assets were € 440 billion at June 30, 2004. At June 30, 2004, we had 50,594 full-time equivalent employees.

The Rabobank Group is comprised of the cooperative Rabobank Nederland, the cooperative Local Rabobanks which are members of Rabobank Nederland and are also licensed credit institutions, and Rabobank Nederland's specialized subsidiaries. We had 321 Local Rabobanks and 1,322 branches located throughout the Netherlands at June 30, 2004. The Local Rabobanks are themselves cooperative entities that draw all of their members from their customers. See "The Rabobank Group Structure".

Rabobank Nederland, the Local Rabobanks and certain subsidiaries in the Rabobank Group are linked through a "Cross-Guarantee System". The Cross-Guarantee System provides for intra-Group credit support among Rabobank Nederland, all Local Rabobanks and certain of our subsidiaries that are the other participating institutions. Under the Cross-Guarantee System, the participants are liable for making funds available to cover the other participants' shortfall in funds needed to meet their Financial Obligations. See "The Rabobank Group Structure -The Cross-Guarantee System".

The various entities within the Rabobank Group comprise a network of "competence centers" which provide financial services and products to the Local Rabobanks and to each other. This networked expertise allows us to respond actively to the growing demand from business clients and private individuals for a balanced package of financial services and products. We therefore seek to combine the best of two worlds: the local presence of the Local Rabobanks and the expertise and scale of a large organization. The underlying purpose of Rabobank Nederland's cooperative structure is to provide high quality services and products to its customers at reasonable prices, while maintaining the financial stability of the Rabobank Group.

Historically, we engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, we have also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an ongoing program, we have increased both the number and type of products and services available to our customers in order to diversify from a traditional savings and mortgage-based business to be a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end we pursue an "Allfinanz" concept, meaning that we provide an integrated range of financial services comprised primarily of retail banking, wholesale banking, asset management and investment, insurance, leasing and real estate to a wide range of both individual and corporate customers. As part of this Allfinanz strategy, we focus on operations that produce fee-based income in addition to our traditional interest-based income sources.

Through Rabobank Nederland, the Local Rabobanks and our specialized subsidiaries, the Rabobank Group provides services in the following six core business areas: Retail Banking, Wholesale Banking, Asset Management, Insurance, Leasing and Real Estate.

### Business Activities of the Rabobank Group

#### *Retail Banking*

We provide a variety of lending and savings services in the Netherlands through our network of Local Rabobanks and their domestic offices and agencies. From January 1, 2004 through June 30, 2004, we had a market share of 26% of new home mortgages in the Dutch mortgage market (21% by Local Rabobanks and 5% by Obvion). At the end of 2003, we had an 85% market share of loans and advances made by banks to the Dutch primary agricultural sector (measured by sample tests). At the end of 2003, we also had a 39% market share of domestic loans to the trade, industry and services sector (i.e., small enterprises with less than 100 employees; measured by sample tests). At

June 30, 2004 we had a 38% market share in the Dutch savings market. For the six months ended June 30, 2004, our Retail Banking operations accounted for 57%, or € 797 million, of our operating profit before taxation<sup>1</sup>.

### ***Wholesale Banking***

Through Rabobank Nederland Corporate Clients and Rabobank International, which includes our subsidiary Rabo Securities, we provide a variety of wholesale banking services, including advising on mergers and acquisitions and stock transactions, lending and providing special financing arrangements to both domestic and international corporate clients. For the six months ended June 30, 2004, our Wholesale Banking operations accounted for 33%, or € 464 million, of our operating profit before taxation.

### ***Asset Management***

We provide asset management, investment and private banking services to private, institutional and corporate investors through a number of subsidiaries. Robeco is the competence center for asset management services within the Rabobank Group, offering financial products and services to our Asset Management and Investment operations. Schretlen operates our private banking activities in the Netherlands and internationally. Effectenbank Stroeve provides asset management and investment advice to private individuals. In 2003, Rabobank Nederland acquired the internet-brokerage activities of Dexia Bank Nederland N.V., which are conducted under the trade name Alex. Alex provides investment services to its clients via the internet. For the six months ended June 30, 2004, our Asset Management and Investment operations accounted for 6%, or € 80 million, of our operating profit before taxation.

### ***Insurance***

Our insurance activities are undertaken primarily through Interpolis, the fifth largest insurance company in the Netherlands in 2003 in terms of premium turnover. Through its subsidiaries, Interpolis provides comprehensive life and non-life insurance services to our retail, agricultural and corporate customers. For the six months ended June 30, 2004, premiums from life and non-life insurance activities were € 1,311 million and € 832 million, respectively. Operating profit before taxation from our Insurance operations, at € 126 million, accounted for 9% of our operating profit before taxation for the six months ended June 30, 2004.

### ***Leasing***

Our leasing activities are undertaken primarily by De Lage Landen. De Lage Landen provides factoring and leasing services to corporate borrowers, mainly in the food and agribusiness, technology, healthcare and banking industries. At June 30, 2004, De Lage Landen had a loan portfolio of approximately € 12.6 billion. Operating profit from our Leasing operations, at € 100 million accounted for 7% of our operating profit before taxation for the six months ended June 30, 2004.

### ***Real Estate***

We provide a variety of real estate services to institutional and corporate clients through our Rabo Vastgoed entity and FGH Bank, which we acquired in October 2003. Rabo Vastgoed is our real estate project development and finance arm and FGH Bank specializes in commercial real estate financing. For the six months ended June 30, 2004, our Real Estate operations accounted for 3%, or € 37 million, of our operating profit before taxation.

## **Recent Developments**

### ***Sekerbank***

On December 14, 2004 we announced that we reached an agreement with the Voluntary Pension Fund (majority shareholder of Sekerbank) regarding a strategic partnership, which partnership would lead Rabobank to own a majority interest in the Turkish bank Sekerbank. The planned partnership is in line with Rabobank's international Country and Retail Banking's strategy.

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<sup>1</sup> As the Rabobank Group conducts more activities than the six core business areas, the gross operating profits of the six core business areas do not add up to 100 per cent. of consolidated operating profit before taxation.

Sekerbank was established in 1953 as the Bank of the Sugar Beet Cooperatives. Today, as one of the most established banking brands in Turkey, it has a staff of 3328 and a network of 200 branches. It is the third largest among the privately owned banks in Turkey, in terms of geographic coverage.

### ***Development of Chinese cooperative banks***

On November 2, 2004 we announced that together with the International Finance Corporation (a division of the World Bank) we will sign two agreements with Chinese credit cooperatives. Pursuant to the first agreement Rabobank commits to provide the Zhejiang Provincial Rural Credit Cooperative Union with technical assistance for restructuring the banking system in the province of Zhejiang. The subject of the second agreement is a joint investment in the Hangzhou Rural Credit Cooperative Union and to provide technical assistance for the further development of this 'district' bank. The aim of these activities is to enable these Chinese cooperatives to ultimately develop into fully-fledged cooperative banks. The restructuring and professionalisation of these two Chinese credit cooperatives is the first project to be carried out within the framework of the Rabobank Development Programme that supports the development of rural banking in 15 countries that are undergoing economic development.

### ***Trust Preferred Securities***

In October, 2004, we strengthened our capital base by € 2 billion through a successful issue of Trust Preferred Securities, thereby increasing our long-term growth potential. The issue consisted of three currencies divided across four tranches: \$ 1.5 billion, £ 350 million and A\$ 500 million, consisting of a A\$ 250 million fixed rate tranche and a A\$ 250 million floating rate tranche. The proceeds of these securities are classified as Tier-1 or core capital for the Rabobank Group.

### ***Bank Gospodarki Zywnosciowej (BGZ)***

In December 2004, we acquired a 35% interest in the Polish bank BGZ in part through a new share issuance by BGZ, and in part from selling shareholders. BGZ is the leading bank for the Polish agricultural and food economy sectors. The acquisition is part of our strategy to expand our country banking in the United States, Canada, Ireland, Central and Eastern Europe and China.

### ***Operation Service***

In September 2004, we started implementation of "Operation Service", a reorganization program to transform Rabobank Nederland into a more efficient, customer and service-focused organization for the Local Rabobanks. The program is expected to generate cost savings of € 200 million per annum and reduce the number of employees on a gradual basis by nearly 1,200 full-time equivalent employees. It will be implemented over the next couple of years.

### ***KBC Bank Joint Venture***

On June 10, 2004, we announced our intention to set up a joint venture with KBC Bank to process securities transactions for both KBC and Rabobank Nederland. Based in Eindhoven, the Netherlands, the new company will start operations in 2005, processing securities transactions for Rabobank Nederland. When fully operational in 2006, it will also process KBC's securities transactions. It is expected that the new company will have approximately 160 employees by 2006.

### ***Eureko Group***

In February 2004, as part of our strategy to grow our market share in retail products in the insurance sector, we signed a letter of intent establishing a close cooperation with Eureko B.V. Headquartered in Amsterdam, Eureko is a financial services provider and has subsidiaries in 14 European countries and the United States of America. Achmea Holding N.V. is the largest subsidiary within the Eureko group. As part of our cooperation, Interpolis, our insurance subsidiary, will sell health insurance provided by Achmea's subsidiary, Zilveren Kruis Achmea, via Local Rabobanks and via its own distribution channels. On March 31, 2004, we also acquired a 5% stake in Eureko for a consideration of € 228 million. In addition, as from June 25, 2004, we effected an exchange of members at the Supervisory Boards of Rabobank Nederland and Eureko. A mutual representation at the shareholder level, i.e., between the Vereniging Achmea and the Central Delegates Assembly (Centrale Kringvergadering) of Rabobank Nederland, has also been introduced.

## **Changes in Accounting Rules**

### ***Changes in Accounting Policies***

*Property Revaluation.* In accordance with Dutch GAAP, as from the 2003 financial statements changes in the carrying values of property not in use by Rabobank Group are taken to the profit and loss account. In addition, a revaluation reserve is formed and charged to the other reserves. Up to and including the 2002 financial statements, changes in value were only taken to the profit and loss account in the case of downward value adjustments and if the revaluation reserve was insufficient to absorb the adjustment. This change in accounting policy has no effect on our equity. The effect on our results are considered negligible. The other prior-year figures in the consolidated financial statements of Rabobank Group have been reclassified where necessary for comparative purposes. These reclassifications have no effect on our results or equity.

*Income from investments.* Prior to the 2004 financial statements, Interpolis recognized its results on investments in shares and property using the indirect return method. An important characteristic of this method is that results recognized on investments are based on long-term average yields. As from 2004, Interpolis no longer uses this method. Instead, it takes the results realised on investments direct to the profit and loss account, the most widely used method throughout the world. This new method conforms to the International Financial Reporting Standards (IFRS). The change in accounting policy has no effect on equity. The effects are only visible in the form of reclassifications in the profit and loss account, with no consequences for the net profit for 2003. The figures for the first and second halves of 2003 have been restated for comparative purposes. The income from securities and participating interests was down € 119 million for the first half of 2003 and € 47 million for the second half. The carrying values of financial fixed assets were adjusted by the same amounts for the respective periods.

*Trust Preferred Securities.* Prior to the 2004 financial statements, Trust Preferred Securities were recognized as equity. In line with developments in IFRS and their interpretation, we have decided to recognize the Trust Preferred Securities amounting to € 2,037 million as group equity in the item Subordinated debt as from January 1, 2004. Accordingly, amounts owed on the Trust Preferred Securities will be taken to the profit and loss account (formerly profit appropriation) for 2004 and subsequent years. The figures for the first and second halves of 2003 have been restated for comparative purposes. Interest expenses have been increased by the following amounts: € 23 million for the first half of 2003, € 31 million for the second half of 2003 and € 61 million for the first half of 2004. Tax has been reduced by € 9 million, € 12 million and € 22 million respectively for the periods concerned. The change in accounting policy has no effect on the Tier I ratio or the BIS ratio.

### ***International Accounting Standards***

In accordance with European regulations, we will adopt IFRS for external reporting purposes from 2005 onwards. In the course of 2002 and 2003, we made the key changes required to accounting and reporting procedures and consolidation systems in order to adopt IFRS for dual reporting purposes from January 1, 2004. The key impacts on the Rabobank Group from the adoption of IFRS arise from the IAS 32 and 39 standards relating to financial instruments. As a result of including all derivative positions in the balance sheet, we expect total assets to increase by about 10%. Regarding the profit and loss account, we expect an increase in volatility of our results. However, through the active application of hedge accounting, we expect to be able to limit this volatility and the effect on our results.

## **Certain information on important Group Companies**

### ***Robeco Groep N.V.***

Robeco has its statutory seat in Rotterdam, the Netherlands. The objects of Robeco are the provision of investment management services, financial services and acting as a holding and financing company. Its issued and fully paid up share capital amounts to € 4,537,802 (4,537,802 shares with a nominal value € 1 each) as of December 31, 2003. Rabobank Nederland's share in its issued capital is 100 per cent. Robeco's net income in 2003 was € 104.5 million, corresponding to € 23.02 per share. In 2003 a dividend of € 50 million was announced. As at December 31, 2003, Rabobank Nederland's liabilities to Robeco amounted to € 470 million (bonds), € 732 million (current account), € 1,103 million (professional securities transactions) and € 20 million (loans/deposits). Rabobank Nederland's claims on Robeco as at December 31, 2003 amounted to € 255 million (loans) and € 343 million (current account).

### ***Interpolis N.V.***

Interpolis has its statutory seat in Tilburg, the Netherlands. The object of Interpolis is to be a holding company of insurance companies acting in the fields of pensions and industrial health and safety (health, safety and reintegration). Its issued share capital amounts to € 100,704,934. Rabobank Nederland's share in its issued capital is 91.85 per cent. Interpolis' net profit in 2003 was € 148.2 million. That is a net profit of € 1.47 per share. In 2003 Interpolis did not declare a dividend. As at December 31, 2003, Rabobank Nederland's liabilities to Interpolis amounted to € 259 million (loans/deposits) and € 219 million (current account). As at December 31, 2003, Rabobank Nederland's claims on Interpolis amounted to € 283 million (loans) and € 159 million (current account). As at December 31, 2003 Rabobank Nederland's commitments in respect of Interpolis amounted to nil (irrevocable credit facilities) and € 745 million (revocable credit facilities) and its contingent liabilities in respect of Interpolis amounted to € 310 million.

### ***De Lage Landen International B.V.***

De Lage Landen has its statutory seat in Eindhoven, the Netherlands. The object of De Lage Landen is the provision of factoring and vendor lease services. Its issued share capital amounts to € 132,716,527. Rabobank Nederland's share in its issued share capital is 100 per cent. De Lage Landen's net profit in 2003 was € 114.8 million corresponding to € 528,801.48 per share. In 2003, De Lage Landen did not declare a dividend. As at December 31, 2003, Rabobank Nederland's liabilities to De Lage Landen amounted to € 989 million. As at December 31, 2003 Rabobank Nederland's claims on De Lage Landen amounted to € 7,851 million (loans and current account). All liabilities of De Lage Landen are guaranteed (via the cross guarantee system) by Rabobank Nederland and the other participants of this system.

### **Outlook until June 2005**

The Chairman of the Executive Board, Bert Heemskerk, stated on September 6, 2004: "The Dutch economy is slowly clambering up, with the first signs of a recovery becoming visible. However, this recovery is dependent on global conditions, such as movements in oil prices and the potential threat of terrorist attacks. Despite the circumstances, we remain optimistic about the rest of the year. Barring unforeseen circumstances, we expect the increase in net profit for 2004 to be in line with the growth of 12% for the first six months."

The results over 2005 will be calculated in accordance with the new IFRS accounting standards. As a result it is not possible to make a statement on the development of the results in 2005 compared to 2004.

### **Group Strategy**

Our ambition is to achieve market leadership in financial services in the Netherlands, primarily through the Local Rabobanks, and to provide our clients, both private and business, with a comprehensive range of financial products and services. In addition, we aim to be the leading bank in the world to the food industry and agribusiness. We have taken significant steps to establish a leading role as a financial services provider through the provision of services through our wholesale business operations, RNCC, Rabobank International, Rabo Securities and our many specialized subsidiaries such as Robeco (asset management), Interpolis (insurance), De Lage Landen (leasing), FGH bank (real estate finance), Schretlen (private banking), Effectenbank Stroeve (securities brokerage) and Gilde (venture capital). Each of these subsidiaries not only provide financial advice and products to the Local Rabobanks and their clients, but also provide services to their own clients in the Netherlands and internationally. In order to establish ourselves as the market leader in financial services in our chosen markets, we have set the following four strategic priorities:

- Strengthening the Local Rabobanks;
- Strengthening our position as an "Allfinanz Group";
- Developing international opportunities for growth; and
- Strengthening synergies and cooperation within the Rabobank Group.

## ***Strengthening the Local Rabobanks***

### *“Vision Rabobank 2005+”*

In June 2004, the Central Delegates Assembly agreed to strengthen and consolidate the Local Rabobanks in order to increase their efficiency and to improve clients' access to sophisticated financial services. The decision forms part of our “Vision Rabobank 2005+” project, launched in 2003, to restructure the Local Rabobanks. It is intended that the Local Rabobanks will focus on the sale of a broader range of services and products with the best possible price-to-quality ratio to an increasing number of clients.

As a result of consolidation of the Local Rabobanks, we expect that their number will decline in the next few years from 321 at the end of June 2004 to approximately 150. At the same time, we expect to create more agencies in order to maintain, or even increase, the number of points of distribution to our clients.

### *Restructuring Rabobank Nederland*

Our reorganization program “Operation Service”, which started in September 2004, is designed to transform Rabobank Nederland into a more efficient, customer and service-focused organization for the Local Rabobanks. After its restructuring, Rabobank Nederland will be better suited to support the greater size and increased sophistication of the Local Rabobanks.

### *Refocused Distribution Formats*

We continue to focus on maintaining the current strong market position of the Local Rabobanks and ensuring growth in those areas where market leadership has yet to be achieved. As part of our strategy, we will continue to enhance sales efforts via direct channels, such as the telephone and the internet. We will also refocus and improve our distribution formats and service concepts for specific client groups. In order to strengthen the Local Rabobanks' position within the Netherlands, Local Rabobanks that meet certain qualifications set by Rabobank Nederland will also be granted broader capacities to deal with larger transactions independently.

## ***Strengthening Our Position as an Allfinanz Group***

We aim to strengthen our position as an Allfinanz group in the following ways:

- Strengthening the market leadership of the Rabobank brand in the distribution of an expanded range of financial services by the Local Rabobanks;
- Strengthening our market position in financial services distribution through our specialized subsidiaries; and
- Strengthening our position as a provider of financial services by supplying products to selected distributors outside the Rabobank Group.

### *Strengthening the Rabobank Brand*

Currently, we are a leading player in many financial retail markets in the Netherlands, including the payments, savings, investment, mortgages and business financing markets. This is due to our strong position in the private segment, the small and medium-sized businesses segment and the agricultural sector in the Netherlands. Nevertheless, we seek further growth in a number of areas. We will give priority to strengthening our market position in the Netherlands in the corporate, insurance, asset management (private banking), employee benefits, pensions and healthcare, consumer credit and mortgage markets. In addition, we will seek to strengthen our and particularly the Local Rabobanks' position in the larger urban areas and among ethnic minorities.

### *Strengthening Market Position Through Our Specialized Subsidiaries*

Our specialized subsidiaries act as competence centers which provide services to and work closely with the Local Rabobanks. Virtually all of our specialized subsidiaries also serve their own customers who do not bank at a Local Rabobank. All of our specialized subsidiaries are assessed according to their contribution to our market leadership ambition, using criteria such as customer value and their financial and strategic added value. Through these assessments, we look to find ways to improve the results of our specialized subsidiaries, both as competence centers and as direct service providers and thereby strengthen our market position and image both in the Netherlands and internationally.

### *Supplying Products to Distributors Outside the Rabobank Group*

In order to support our market leadership ambition, in the future certain of our businesses may perform activities for third parties on a selective basis, for example if the existing distribution channels within the Rabobank Group should yield insufficient economies of scale. In this context, we are considering multi-distribution of our banking products. Local Rabobanks are and will continue to be our most important distribution channel by far. However, profitable client groups that are hard to reach via the Rabobank format could well be receptive to different service concepts. We view multi-distribution not only as a possible aid to achieving market leadership, but also as an effective response to changing market conditions as a result of the emergence of broker chains, niche players (such as internet bankers) and non-bank enterprises (such as supermarkets) that are selling financial services. Alex, our online brokerage business which we acquired in April 2003, is an illustration of our multi-distribution policy. Another example of our multi-distribution policy is Obvion, our joint venture with the ABP pension fund, which sells mortgages via independent intermediaries.

### ***Developing International Opportunities for Growth***

An important element in Rabobank International's strategy is country banking. This involves taking over smaller banks that operate in rural areas of developed markets and have a strong position in the agricultural sector. Following earlier acquisitions in Australia and New Zealand in the 1990s and the former state-owned Irish ACC Bank and VIB Corp in the United States in 2002, we are continuing to expand our country banking model on a global scale. In 2003, we strengthened our position as a leading lender to rural clients in Australia and New Zealand through the purchase of the rural lending portfolio of the New Zealand bank AMP Bank Limited. In order to sustain the platform for further growth in the Australian market, we decided to continue the activities of Primary Industry Bank of Australia under the Rabobank brand and its official name has become Rabobank Australia Limited.

Also in 2003, we acquired two banks in the United States: Lend Lease Agri-Business and Ag Services of America, Inc. Lend Lease Agri-Business now operates under the name Rabo Agrifinance and offers long-term financing to agricultural enterprises in the United States, secured by land and the buildings erected on it. The listed financing company Ag Services of America, Inc. has been renamed Rabo Ag Services and specializes in harvest financing, mainly to American corn and soy growers. In addition, on July 30, 2004, we announced our proposed acquisition of FCSAmerica. The acquisition, which is subject to the approval of the external supervisory bodies and a number of additional conditions, would provide us with a leading position as an agricultural financial services provider in the U.S. Midwest, which is a key agricultural area.

On September 3, 2004, we announced our intention to acquire a 35% interest in the Polish bank BGZ, which is the leading bank for the Polish agricultural and food economy sectors. We aim to further expand our country banking model in the United States, Ireland, Central and Eastern Europe and China.

In addition, we have started direct-banking initiatives outside the Netherlands. These initiatives are increasing the value realization of our expertise in internet banking. It is in this context that we are offering internet banking services in Belgium via our internet bank Rabobank.be.

### ***Strengthening Synergies and Cooperation within the Rabobank Group***

Our strength is determined by the value of the mutual relationships within the Rabobank Group. Good synergy means cooperation that results in the creation of value. We have spent a great deal of effort on establishing and maintaining the cooperation between all the Rabobank Group entities in order to be able to offer the services and products the client needs at the optimum price-to-quality ratio. That cooperation is not only reflected in common product development but also in the integration of processes, sales-enhancing advice and fruitful dialogue within the Rabobank Group to arrive at major policy decisions and business processes. Our management structure forms a good basis for better cooperation between the Local Rabobanks and Rabobank Nederland, their umbrella cooperative, which is in the interest of the local clients.

### ***Competition***

We compete in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, ING and Fortis. As a result of the overall improving liquidity of Dutch corporations, increased emphasis by banks on the credit quality of borrowers and the deregulation of

capital markets, competition among banks in the Netherlands has increased significantly during the past several years. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and private savings.

In the Dutch market, we are the market leader for many financial services: newly granted mortgage loans (26% as of June 30, 2004), private savings (38% as of June 30, 2004), small and medium-sized enterprises (39% as of December 31, 2003, based on sample tests) and the agricultural sector (85% as of December 31, 2003, based on sample tests). We also considerably strengthened our share of the larger corporate market. We also face strong competition in the international banking market.

### ***Employees***

We believe that achieving our clients' goals through financial services goes hand-in-hand with the personal development of our employees. Accordingly, in our view, good working conditions, terms of employment and ongoing development of our managers and employees are preconditions for achieving our strategy. Management believes its employee relations are good. In April 2004, we reached agreement with the unions on a new Collective Labour Agreement ("CLA"). The new CLA is in effect until May 1, 2005 and provided for a non-recurrent result-based bonus of 1% per annum paid in September 2004. The new CLA also provides for a new performance-based evaluation system, effective January 1, 2005, which will determine variable compensation for the first time in 2006.

In 2003, the number of employees at the combined Local Rabobanks declined by 1,921. Efficiency programs and the advance of virtual channels for distribution of our products and services resulted in further job losses at the Local Rabobanks in 2004. As part of our reorganization program "Operation Service" the number of employees of Rabobank Nederland is expected to gradually decline by nearly 1,200 full-time equivalent employees over the next couple of years. At June 30, 2004 the Rabobank Group had 56,732 employees (being 50,594 full-time equivalent employees), a decrease of 323 compared to December 31, 2003.

### ***Properties***

Rabobank Nederland and the Local Rabobanks typically own the land and buildings used in the normal course of their business activities in the Netherlands. Outside the Netherlands, the Rabobank Group entities also typically own the land and buildings used in the normal course of their business activities. At June 30, 2004, the Local Rabobanks owned 1,322 branch offices within the Netherlands. In addition, our investment portfolio includes investments in land and buildings. Management believes that the Rabobank Group's facilities are adequate for its present needs in all material respects.

### ***Environmental Policies and Social Responsibility***

We seek to conduct our business activities in a manner that is responsive to environmental and social concerns. As a result, in assessing credit applications we believe it is relevant to consider issues such as sustainability, socially responsible business practice and ethics. We believe that estimated environmental risks and social issues are important. We therefore consider not only current environmental laws and regulations, but also compliance with social standards, respect for the well-being of animals and the use of genetic modification as we carry out our business activities.

The Local Rabobanks, in keeping with their cooperative tradition and common values, also seek to find a proper balance between the various interests of people, the market and society. The Local Rabobanks attempt to reflect this balance in their lending policy, their engagement in local initiatives and the range of financial products offered to their clients. Sustainability also plays an important part in their advising on business plans and realignments. The choice in favor of environmentally-friendly products and technology is often a source of innovation and helps to encourage suppliers of the Rabobank Group to operate in an environmentally-friendly way.

In 2003, we carried out an extensive stakeholder consultation among fifteen social organizations, including trade unions and environmental development aid and human rights lobby groups. They gave their opinions on the Annual Responsibility and Sustainability Report and our corporate social responsibility policy stated therein. This feedback has partly determined our corporate social responsibility priorities for 2004: innovation and volume growth of sustainable products and services and corporate social responsibility as a testing criterion for lending. We have continued the stakeholder dialogue in 2004. According to an appraisal in September 2003 from the Swiss-based environmental rating agency Sustainable Asset Management Group, the Rabobank Group ranked

among the international banking leaders in the area of sustainability. The Rabobank Group achieved the highest score in the European banking sector and achieved second place worldwide. The Rabobank Group was awarded a score of 74%, a 10% improvement on the first appraisal that was conducted in 2001. The previous appraisal also placed the Rabobank Group among the European and worldwide leaders.

### **Legal Proceedings**

We are involved in litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against us which arise in the ordinary course of our businesses, including in connection with our activities as an insurer, lender, employer, investor and taxpayer. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation, management believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any future proceedings and litigation, will not have a material adverse effect on our financial condition, given our size, robust balance sheet, stable income stream and prudent provisioning policy.

#### *Stutts, et al. v. The De Dietrich Group, et al.*

In 2003, the Rabobank Group was named as a defendant in *Stutts, et al. v. The De Dietrich Group, et al.* filed in the U.S. District Court for the Eastern District of New York. In the suit, certain U.S. veterans of the first Gulf War allege that they have sustained injuries as a result of the Rabobank Group (among other banks) having served as a correspondent bank with respect to letters of credit obtained by the Iraqi government in order to purchase materials that may have been used in the manufacture of chemical weapons. No response has yet been filed, but the Rabobank Group intends to defend the suit vigorously.

### **Insurance**

The companies within the Rabobank Group carry insurance of a type customary for the industries in which they operate. Management believes that the insurance carried by these companies is maintained at a level which is adequate.

## THE RABOBANK GROUP STRUCTURE

Rabobank Nederland, having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands in December 1972. A cooperative under Dutch law is a form of association with the statutory objective to provide for certain material needs of its members. Rabobank Nederland is registered with the Trade Register of the Chamber of Commerce in Amsterdam, the Netherlands under number 30046259.

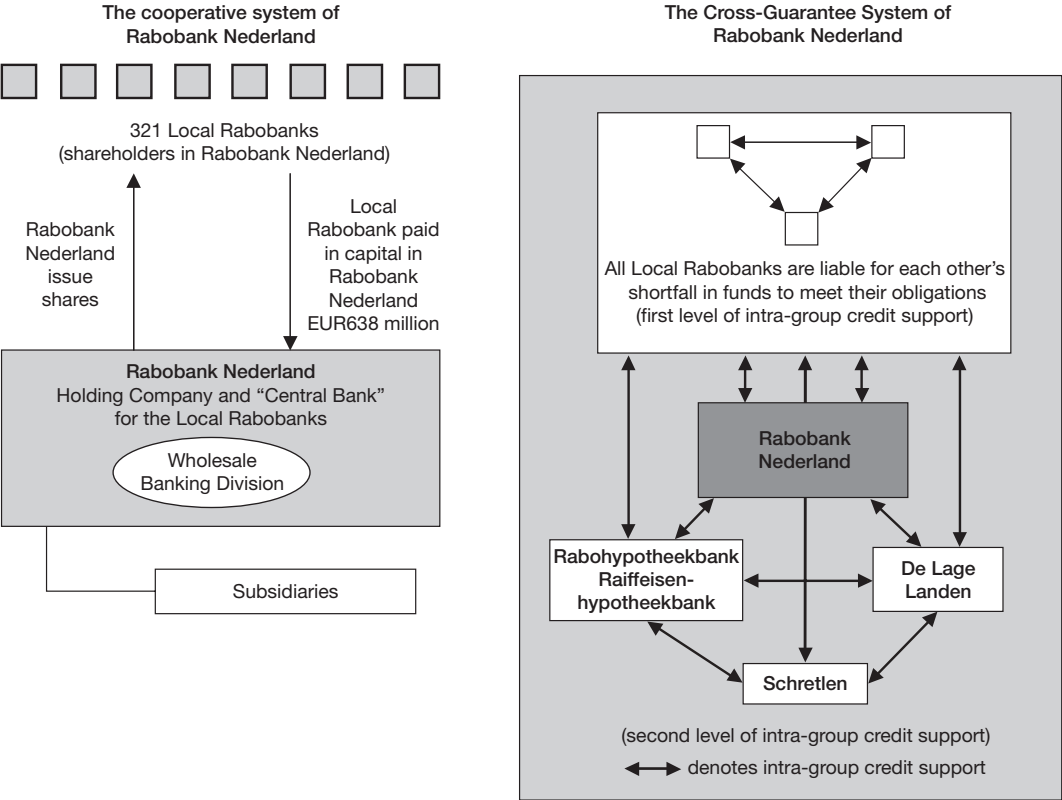
Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. Upon obtaining membership, Rabobank Nederland issues a number of shares (par value € 455 each), the number of which is dependent upon the Local Rabobank's balance sheet total. Since 1995, no new shares have been issued. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. In certain circumstances, Rabobank Nederland may repurchase its shares from the Local Rabobanks. Pursuant to the articles of association, each Local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares in the same proportion as the proportion which existed in the year preceding the year of issue, between its balance sheet total and the sum of the balance sheet totals of all Local Rabobanks. At June 30, 2004, 1.4 million shares (for an aggregate amount of € 638 million) had been issued to the Local Rabobanks.

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

Rabobank Nederland's functions within the Rabobank Group can be broadly divided into three areas. First, it negotiates rights in the name of the Local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all Local Rabobanks (for instance, the entering into collective labor agreements on behalf of the Local Rabobanks). Second, Rabobank Nederland is entrusted with the supervision of the Local Rabobanks pursuant to the provisions of the Act on the Supervision of the Credit System 1992 (*Wet toezicht kredietwezen 1992*). In this capacity, it acts as a "central bank" to the Local Rabobanks (see "- Rabobank Nederland's "Central Bank" Activities"). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the Local Rabobanks and is the holding company of the specialized subsidiaries.

The Local Rabobanks are organized as cooperative entities under Dutch law and draw all of their members from their customers. The number of Local Rabobanks has decreased from 328 at December 31, 2003 to 321 at June 30, 2004. At June 30, 2004, the Local Rabobanks had approximately 1.43 million members, an increase of approximately 65,000 members from the previous half year. Members of the Local Rabobanks do not make capital contributions to the Local Rabobanks and are not entitled to the equity of the Local Rabobanks. Members are not liable for any obligations of the Local Rabobanks.

**The Cross-Guarantee System**



The following is a description of the two types of intra-group credit support within the Rabobank Group.

**Cross-Guarantee System**

In accordance with the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*), an internal Cross-Guarantee System is in place whereby certain entities within the Rabobank Group are liable for making funds available to cover the other participants' shortfall in funds needed to meet their financial obligations. Participating entities within the Rabobank Group are Rabobank Nederland, the Local Rabobanks, certain entities within the De Lage Landen group of companies, Schretlen & Co N.V., Rabohypothekbank and Raiffeisenhypothekbank N.V. For regulatory and financial reporting purposes, Rabobank Nederland and the Local Rabobanks, as well as the participating subsidiaries are treated as a consolidated entity. In addition, Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of other Rabobank Group companies under Section 2:403 of the Dutch Civil Code.

**Compensation Agreements**

The Local Rabobanks are also parties to several compensation agreements whereby shortfalls of Local Rabobanks with respect to equity, profitability, loan loss reserves and due to financing losses are financed by charging all Local Rabobanks. In effect, the system interlinks the reserves of the Local Rabobanks. In connection therewith, the articles of association of each of the Local Rabobanks provide that any surplus balance on the profit and loss account shall be allocated to the general reserve, although each Local Rabobank can, up to a limit, choose to allocate a portion to causes of local or general interest. The articles of association of each Local Rabobank further provide that reserves shall on no account be distributed to the members of the Local Rabobank, including upon liquidation.

Under the intra-group credit support system, including the Cross-Guarantee System, Local Rabobanks effectively first cover each other's shortfalls, before Rabobank Nederland or any of the other entities become involved.

## **Rabobank Nederland's "Central Bank" Activities**

### ***Capital Adequacy and Liquidity***

The Cross-Guarantee System operates in concert with the regulatory and administrative oversight of the Local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland is supervised by the Dutch Central Bank on a consolidated basis, based on the law (section 12 of the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*)) Rabobank Nederland has the responsibility for ensuring compliance by the Local Rabobanks with the Dutch Central Bank's capital adequacy and liquidity regulations. The Dutch Central Bank's capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the Dutch Central Bank. This policy partly reflects the fact that cooperative banks, which cannot raise new capital by the issue of shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any Local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such Local Rabobank's authority to make lending decisions within the Rabobank Group lending limits.

The Local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each Local Rabobank's excess liquidity and acts as treasurer to the Local Rabobanks. Each Local Rabobank is also required by Rabobank Nederland to keep a certain portion of its own deposits on current account with Rabobank Nederland.

### ***Profitability and Support***

In addition to its capital adequacy standards, Rabobank Nederland, when advising Local Rabobanks on interest rates and lending criteria, requires from each Local Rabobank a certain level of profitability. The activities of each Local Rabobank are subject to the supervision of the Rabobank Group Audit Department, which makes routine inspections. When a Local Rabobank fails to perform adequately, Rabobank Nederland has the power under the articles of association to replace its management.

Rabobank Nederland also advises and supports the Local Rabobanks on a day-to-day basis on all aspects of the Local Rabobanks' or their customers' businesses, including marketing, setting of interest rates (both on deposits and on loans), asset and liability management, security valuation and assessment, co-financing and large-scale financing, trade financing, foreign exchange, securities transactions, portfolio management, insurance and legal matters. In addition, Rabobank Nederland also provides a number of administrative services to the Local Rabobanks, including payment transfers (domestic and internationally), accounting, auditing and the management and coordination of personnel policy and administration.

### ***Control Rabobank Group and Treasury Rabobank Group***

Control Rabobank Group and Treasury Rabobank Group coordinate the asset and liability management for the Rabobank Group. Control Rabobank Group is responsible for monitoring capital adequacy and profitability and managing compliance with the financial standards set by the Dutch Central Bank and by internal interest rate risk parameters.

Treasury Rabobank Group manages the liquidity of the Rabobank Group by coordinating the investments in liquid assets or by obtaining short-, medium- and long-term funds from the domestic and international markets. Treasury Rabobank Group executes Rabobank Nederland's funding policy which aims to match maturities of loans and the funding for such loans through the issue of medium and long-term debt securities in the international capital markets. Short-term debt securities, such as international commercial paper and asset-backed commercial paper, are issued by Rabobank Nederland and traded by Rabobank International, which also participates in international foreign exchange and money market trading transactions. These activities are partly undertaken in implementation of Rabobank Nederland's liquid asset management function.

## GOVERNANCE OF THE RABOBANK GROUP

Rabobank Nederland has a Supervisory Board and an Executive Board. The Supervisory Board (raad van commissarissen) of Rabobank Nederland consists of at least seven persons and is responsible for monitoring Rabobank Nederland's policy, compliance with applicable legislation and its articles of association and examining and reporting to the General Meeting on the annual statement of accounts. On the recommendation of the Supervisory Board the General Meeting appoints the Rabobank Group's external auditor, whose statement on accounts is also submitted to the General Meeting. Members of the Supervisory Board are appointed by the General Meeting. The total remuneration of the members of the Supervisory Board amounted to € 1.7 million in 2003.

The Executive Board (raad van bestuur) of Rabobank Nederland consists of at least two members. The number of members is determined by the Supervisory Board. The members are appointed by the Supervisory Board and may be suspended and removed by the Supervisory Board. The Executive Board prepares and executes Group strategy has responsibility for the appointment, suspension and removal of general managers of Rabobank Nederland and the management of Rabobank Nederland, which includes, under the approval of the Supervisory Board, the authorization of debenture issues of Rabobank Nederland. The Executive Board is responsible for the compilation of the annual statement of accounts for adoption by the General Meeting and the recommendation of the profit appropriation to Rabobank Nederland's members. At present, the Executive Board consists of six persons. Bert (H.) Heemskerk is the Chairman of the Executive Board of Rabobank Nederland. The total remuneration of the members of the Executive Board amounted to € 10.8 million in 2003.

No individual may be a member of both Rabobank Nederland's Supervisory Board and Rabobank Nederland's Executive Board. No member of the Supervisory Board is permitted to belong to the staff of Rabobank Nederland, a Local Rabobank or any institution affiliated with Rabobank Nederland, nor is a member of the Supervisory Board permitted to belong to the Supervisory Board, the Executive Board or the board of directors of a Local Rabobank. No member of the Executive Board is permitted to hold office with, or be employed by, any Local Rabobank. The members of the Supervisory Board and the Executive Board cannot hold any office with a credit institution within the meaning of the Act on the Supervision of the Credit System 1992 which is not in any way affiliated with Rabobank Nederland.

The following persons, all of whom are resident in the Netherlands except Mr. Berndsen who is resident in Belgium, are appointed members of the Supervisory Board and the Executive Board of Rabobank Nederland.

### *Supervisory Board of Rabobank Nederland*

<b>Name</b>	<b>Year Appointed</b>	<b>Term Expires</b>
Lense (L.) Koopmans, Chairman	2002	2005
Leo (L.J.M.) Berndsen	2002	2005
Teun (T.) de Boon	2002	2004
Bernard (B.) Bijvoet	2002	2008
Wim (W.F.) Duisenberg	2004	2008
Sjoerd (S.E.) Eisma	2002	2005
Marinus (M.) Minderhoud	2002	2007
Hans (J.A.A.M.) van Rossum	2002	2006
Herman (H.C.) Scheffer	2002	2006
Martin (M.J.M.) Tielen	2002	2006
Aad (A.W.) Veenman	2002	2006
Antoon (A.J.A.M.) Vermeer	2002	2007
Arnold (A.H.C.M.) Walravens	2004	2007

<b>Name</b>	<b>Year Appointed</b>	<b>Nationality</b>
Bert (H.) Heemskerk, Chairman	2002	Dutch
Bert (A.) Bruggink	2004	Dutch
Hans (J.C.) ten Cate	2000	Dutch
Piet (P.W.) Moerland	2003	Dutch
Piet (P.J.A.) van Schijndel	2002	Dutch
Rik (D.J.M.G.) baron van Slingelandt	1996	Dutch

The members of the Supervisory Board and the Executive Board have elected domicile at the head office of Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands.

### **Management of the Local Rabobanks**

Each Local Rabobank within the Rabobank Group is governed by a board of directors (bestuur) and a supervisory board (Raad van Commissarissen). Members of the supervisory board are elected by the members of the Local Rabobank. At the General Meeting of June 25, 2004, the articles of association that the Local Rabobanks may use, were amended to provide for two possible organizational models for the Local Rabobanks. Under the existing partnership model, the supervisory board of each Local Rabobank, with the approval of Rabobank Nederland, appoints the managing director (Directeur/Bestuurder) who is also a member of the board of directors. The managing director is responsible for the management of the business and the implementation of policies of the Local Rabobank. A Local Rabobank operating under the partnership model does not have council of members (Ledenraad). Under the new directorship model, management of the Local Rabobank is conducted by an executive board (Directie), which is appointed by, but separate from, the supervisory board of each Local Rabobank and must consist of at least two members. Members of the executive board may not be members of the Local Rabobank. For Local Rabobanks operating under the directorship model, a council of members is mandatory.

Representatives of the Local Rabobanks meet annually at the General Meeting of Rabobank Nederland to, amongst other things, determine the annual statement of accounts and any changes to the articles of association, and to elect the members of Rabobank Nederland's Supervisory Board.

### **Changes in Management Membership**

Mr. Jac Verhaegen retired from the Executive Board per July 1, 2004 as a result of reaching the retirement age. Mr. Bert Bruggink joined the Executive Board per November 15, 2004.

Mr. Duisenberg and Mr. Walravens joined the Supervisory Board as of June 24, 2004.

## REGULATION OF RABOBANK NEDERLAND

### **General Overview**

Rabobank Nederland is a credit institution (kredietinstelling) organized under the laws of the Netherlands. The principal Netherlands law applicable to Rabobank Nederland is the Act on the Supervision of the Credit System 1992 (Wet toezicht kredietwezen 1992) (the 'Netherlands Act'), under which Rabobank Nederland is supervised by the Dutch Central Bank and the Dutch Minister of Finance. Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union ('EU') directives which have a significant impact on the regulation of the Rabobank Group's banking, asset management and broker-dealer businesses in the EU and the regulation and control of local central banks and monetary authorities of the various countries in which we do business.

Rabobank Nederland, the Local Rabobanks and the subsidiaries of Rabobank Nederland are in compliance in all material respects with the applicable banking and insurance regulations and capitalization and capital base requirements of each applicable jurisdiction.

### **Basel Standards**

The Basel Committee on Banking Supervision of the Bank for International Settlements develops international capital adequacy guidelines based on the relationship between a bank's capital and its credit risks. In this context, on July 15, 1988, the Basel Committee adopted risk-based capital guidelines (the 'Basel guidelines'), which have been implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce an existing source of competitive inequality among international banks by harmonizing the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on January 1, 1991, the Dutch Central Bank implemented them and they were made part of Netherlands regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. Since then, several consultative papers for a new capital accord have been released by the Basel Committee on Banking Supervision, which were discussed by several international working parties. The new accord ("Basel II") was published in June 2004. The target is to achieve a flexible framework that is more closely in line with internal risk control and that will result in a more sophisticated credit risk weighting. The Rabobank Group has joined in a number of global exercises initiated by the Basel Committee, aimed at establishing the consequences of Basel II. Given its traditionally low (credit) risk profile, the new capital adequacy requirements for the Rabobank Group are significantly lower than the current ones. The Rabobank Group has already started the implementation of Basel II.

The European Commission has adopted a proposal for the amendment of the EC Directive 2000/12 and the EEC Directive 1993/6 to introduce the new capital requirements framework. According to the co-decision procedure, the European Council and European Parliament will have to approve the proposal before the Member States can implement it in their own legislation. The approval of the Council and Parliament is foreseen before the end of 2005 and the implementation by the Member States by the end of 2006. In the Netherlands, the proposal will need to be transposed into national regulations by the Ministry of Finance. Basel II will impact the areas of risk sensitivity, group structures, equity holdings in non-banks and retail exposures.

### **European Union Standards**

The European Community has adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel guidelines. In 1989, the EC adopted the Council Directive of April 17, 1989 on the 'own funds' of credit institutions (the 'Own Funds Directive'), defining qualifying capital ('own funds'), and the Council Directive of December 18, 1989 on a capital base ratio for credit institutions (the 'Capital Base Ratio Directive' and, together with the Own Funds Directive, the 'EC Directives'), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The EC Directives required the EU member states to transform the provisions of the

Capital Base Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The EC Directives permit EU member states, when transforming the EC Directives into national law, to establish more stringent requirements, but do not permit more lenient requirements. In 2000, the EC adopted the Directive of March 20, 2000 on the taking up and pursuit of the Business of Credit Institutions (EC Directive 2000/12), which directive consolidated various previous directives, including the EC Directives.

As stated above, the European Commission has now adopted a proposal for the amendment of the EC Directive 2000/12 and the EEC Directive 1993/6 to introduce the new capital requirements framework agreed by the Basel Committee on Banking Supervision. The proposal sets out new rules on capital requirements. The proposal reflects the flexible structure and the major components of Basel II, but has been tailored to the specific features of the EU market.

Instead of the current 'one-size-fits-all' approach, the proposed new framework would consist of three different approaches allowing financial institutions to choose the approach most suited to them: simple, intermediate and advanced. The simple and intermediate approaches would be available by end 2006 (but banks could still opt to apply the current rules until end 2007) and the most advanced approaches from end 2007. Rabobank intends to make use of the advanced approach.

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

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

EU Member States have to provide that the provisions of this directive shall first apply to the supervision of accounts for the financial year beginning on January 1, 2005.

## ***Netherlands Regulation***

### *General*

In 2001, a major supervisory reform was undertaken in the Netherlands. The sector-oriented supervision (by the Dutch Central Bank on banks, the Pensions and Insurance Supervisory Board on pension funds and insurance institutions and the Netherlands Authority for the Financial Markets on securities institutions) has been replaced by a more functional approach. As of September 2002, supervision has been divided into prudential supervision, carried out by the Dutch Central Bank and the Pension and Insurance Supervisory Board together, and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

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

## ***The Netherlands Act***

### *Scope of the Act*

A credit institution is any enterprise whose business it is to receive funds repayable on demand or subject to notice and to grant credits or make investments for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the Local Rabobanks are credit institutions and, because they are engaged in the securities business as well as the commercial banking business, each is considered a 'universal bank'.

### *Licensing*

Under the Netherlands Act, a credit institution established in the Netherlands is required to obtain a license from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a license, among others, are as follows: (i) the day-to-day policy of the credit institution must be determined by at least two persons; (ii) the credit institution must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the credit institution must have a minimum equity (eigen vermogen) of € 5,000,000. Also, the Dutch Central Bank shall refuse to grant a license if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the credit institution have insufficient expertise to engage in the business of the credit institution, (ii) the interests of (future) creditors could be materially prejudiced given the intentions or credentials of one or more persons who determine the policy of the credit institution or (iii) through a qualified holding in the credit institution, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (gezond bankbeleid). In addition to certain other grounds, the license may be revoked if a credit institution fails to comply with the requirements for maintaining it.

### *Reporting and Investigation*

A credit institution is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a balance sheet and a profit and loss statement that have been certified by a qualified auditor in the Netherlands or an equally qualified foreign auditor who is licensed in the Netherlands. In addition, a credit institution is required to file with the Dutch Central Bank or a designated agency monthly balance sheets, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports (including reports certified by a qualified auditor in the Netherlands or an equally qualified foreign auditor who is licensed in the Netherlands). The credit institutions' reports to the Dutch Central Bank are required to be 'truthful and not misleading'.

A credit institution must also inform the Dutch Central Bank of any change in number and the identity or the credentials of the persons determining its day-to-day policy. Furthermore, a credit institution must also inform the Dutch Central Bank if it fails to comply, or to comply fully, with the Dutch Central Bank's standards regarding solvency, liquidity or administrative organization.

### *Supervision*

The Dutch Central Bank exercises supervision with respect to the solvency and liquidity of credit institutions, supervision of the administrative organization of credit institutions and structure supervision relating to credit institutions. To this end, the Dutch Central Bank has issued the following general guidelines:

#### *— Solvency Supervision*

The guidelines of the Dutch Central Bank on solvency supervision require that a credit institution maintains own funds in an amount equal to at least eight per cent. of its risk-weighted assets operations. These guidelines also impose limitations on the aggregate amount of claims (including extensions of credit) a credit institution may have against one debtor or a group of related debtors.

#### *— Liquidity Supervision*

The guidelines of the Dutch Central Bank relating to liquidity supervision require that a credit institution maintains sufficient liquid assets against certain liabilities of the credit institution. The basic principle of the liquidity directives is that liquid assets must be held against 'net' liabilities of credit institutions (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These guidelines impose additional liquidity requirements if the amount of liabilities of a credit institution with respect to one debtor or group of related debtors exceeds a certain limit.

#### *— Structure Supervision*

The Netherlands Act provides that a credit institution must obtain a declaration of no-objection from the Minister of Finance (or, in certain cases, determined by the Minister of Finance from the Dutch Central Bank) before, among other things, (i) reducing its own funds (eigen vermogen) by way of repayment of capital or distribution of reserves or making a distribution from the fund for general banking risks as referred to in article 2:424 of the Dutch Civil Code, (ii) acquiring or increasing a qualified holding in a regulated institution such as a credit institution or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase

amounts to more than 1% of the credit institution's consolidated balance sheet total, (iii) acquiring or increasing a "qualified holding" in another enterprise or institution if the amount paid for the acquisition or the increase together with any amounts paid for prior acquisitions and prior increases exceeds 1% of the consolidated own funds (eigen vermogen) of the credit institution, (iv) acquiring all or a substantial part of the assets and liabilities of another enterprise or institution, (v) merging with another enterprise or institution or (vi) proceeding to financial or corporate reorganization. For purposes of the Netherlands Act, "qualified holding" is defined to mean the holding, directly or indirectly, of an interest of at least 10% of the issued share capital or voting rights in an enterprise or institution, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a credit institution, or to exercise any voting power in connection with such holding, only after such declaration of no-objection has been obtained. The Netherlands Act provides for certain (prior) notification requirements applying to credit institutions and persons increasing or reducing their holdings in credit institutions.

#### — *Administrative Supervision*

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

#### *Emergencies*

The Netherlands Act contains an 'emergency regulation' which can be declared in respect of a credit institution by a Dutch court at the request of the Dutch Central Bank if such credit institution is in a position which requires special measures for the protection of its creditors. As of the date of the emergency, only the court appointed administrators have the authority to exercise the powers of the organs of the credit institution. Furthermore, the emergency regulation provides for special measures for the protection of the interests of the creditors of the credit institution. A credit institution can also be declared in a state of bankruptcy by the court.

Rabobank Nederland and the Local Rabobanks file consolidated monthly and annual reports that provide a true and fair view of their respective financial position and results with the Dutch Central Bank. Our independent auditors audit these reports annually.

## CAPITALISATION

The following table sets forth in summary form the Group's consolidated own funds and consolidated medium and long-term debt securities at June 30, 2004 and at December 31, 2003:

<i>(in EUR millions)</i>	<b>June 30, 2004 (unaudited)</b>	<b>December 31, 2003</b>
<b>Group equity</b>		
Fund for general banking risks	1,679	1,679
Subordinated loans	2,245 <sup>(1)</sup>	2,211 <sup>(1)</sup>
Reserves <sup>(3)</sup>	16,022	15,233
Third-party interest	4,733	4,463
Group equity	24,679	23,586
Group debt securities <sup>(2)</sup>	96,617	80,695
Total capitalisation	121,296	104,281
<b>Breakdown of reserves</b>		
Revaluation reserves	324	222
Other reserves	11,848	11,158
Members' Capital	3,850	3,853
Reserves <sup>(3)</sup>	16,022	15,233

There has been no material change in the capitalisation of the Group since June 30, 2004, except for the Trust Preferred Securities issued in October 2004 (see footnote 1)

<sup>1</sup> Including Trust Preferred Securities issued prior to 2004. This does not include the Trust Preferred Securities issued in the second half of October 2004 (\$1.5 billion tranche; £350 million tranche; A\$250 million fixed rate tranche; A\$250 million floating rate tranche), as described in "Description of Business of the Rabobank Group – Recent Developments – Trust Preferred Securities"

<sup>2</sup> Group debt securities includes short-term debt and long-term debt. The Rabobank Group had short-term debt amounting to € 34,547 million and € 42,204 million, at December 31, 2003 and June 30, 2004, respectively. The Rabobank Group had long-term debt amounting to € 46,128 million and € 54,413 million, at December 31, 2003 and June 30, 2004, respectively. These figures are unaudited.

<sup>3</sup> At January 1, 2004 a change in accounting policy concerning the recognition of Trust Preferred Securities was introduced. The comparative figures for 2003 have been restated accordingly. Therefore, the 2003 figures presented above differ from the 2003 figures in the financial statements of 2003. Please see page 52.

## KEY FIGURES

### Five years in figures<sup>(3)</sup>

	2003	2002	2001	2000	1999
<b>Volume of services</b> (in EUR millions)					
Total assets	403,305	374,720	363,679	342,920	281,218
Private sector lending	235,425	212,323	197,262	179,137	161,074
Funds entrusted	172,571	171,632	172,174	146,705	127,527
Assets managed <sup>(1)</sup>	184,000	168,000	194,400	166,100	139,800
Premium income, insurance	3,893	3,660	3,926	3,417	2,867
<b>Financial position and solvency</b> (in EUR millions)					
Reserves	17,270	14,911	13,030 <sup>(2)</sup>	13,108	11,867
Tier I capital	19,660	17,202	15,092 <sup>(2)</sup>	14,653	13,007
Tier I + Tier II capital	19,892	17,414	15,542 <sup>(2)</sup>	15,093	13,650
Total risk-weighted assets	182,820	165,843	152,812	142,278	129,801
Tier I ratio	10.8	10.3	9.9 <sup>(2)</sup>	10.3	10.0
BIS ratio	10.9	10.5	10.2 <sup>(2)</sup>	10.6	10.5
Solvency requirement	14,626	13,268	12,225	11,382	10,384
<b>Profit and loss account</b> (in EUR millions)					
– Interest	6,010	5,391	5,082	4,585	4,499
– Commission and other income	3,228	3,173	3,352	3,175	2,307
Total income	9,238	8,564	8,434	7,760	6,806
Operating expenses	6,243	5,839	5,965	5,459	4,826
Value adjustments to receivables	575	500	480	360	350
Value adjustments to financial fixed assets	18	252	59	9	0
Addition to the fund for general banking risks	0	0	0	52	100
Operating profit before taxation	2,402	1,973	1,930	1,880	1,530
Taxation on operating profit	733	514	532	507	423
Third-party interests	266	209	192	179	87
Net profit	1,403	1,250	1,206	1,194	1,020
<b>Ratios</b>					
Return on reserves	9.4%	9.6%	9.2%	10.1%	9.8%
Efficiency ratio	67.6%	68.2%	70.7%	70.3%	70.9%
<b>Other data</b> (numbers of)					
Member Banks	328	349	369	397	424
Offices:					
– branches	1,378	1,516	1,648	1,727	1,795
– agencies	356	402	455	548	610
Cash dispensing machines	2,981	2,979	2,889	2,676	2,546
Foreign offices	222	169	137	142	147
Employees:					
– total number	57,055	58,096	58,120	55,098	53,147
– full-time equivalents	50,849	51,867	52,173	49,711	48,224
Members (x 1,000)	1,360	1,108	825	550	510

General: Due to consolidation effects, the figures relating to Group entities will not always correspond with Rabobank Group totals. Changes in terms of percentages can vary as a result of rounding.

(1) Following a change in definitions, the amounts disclosed for assets managed differ from the amounts presented in previous reports.

(2) The effect of the change in accounting policy for pensions of January 1, 2002 is included in the computation of reserves and of the Tier I and BIS ratio as at December 31, 2001.

(3) Unaudited.

**CONSOLIDATED BALANCE SHEET OF RABOBANK GROUP**  
**at 31 December (after profit appropriation)**

<i>(in EUR millions)</i>	2003	2002	2001 <sup>(1)</sup>
<b>Assets</b>			
Cash	7,117	3,807	3,736
Short-term government paper	3,211	1,813	5,311
<i>Professional securities transactions</i>	30,199	40,053	28,359
<i>Other banks</i>	11,720	7,176	11,719
	<hr/>	<hr/>	<hr/>
Banks	41,919	47,229	40,078
<i>Public sector lending</i>	2,161	797	761
<i>Private sector lending</i>	235,425	212,323	197,262
<i>Professional securities transactions</i>	13,211	12,132	10,591
	<hr/>	<hr/>	<hr/>
Lending	250,797	225,252	208,614
Interest-bearing securities	71,141	71,320	78,680
Shares	10,093	9,414	12,556
Participating interests	201	184	156
Property and equipment	3,964	3,870	3,756
Other assets	4,984	4,519	4,425
Prepayments and accrued income	9,878	7,312	6,367
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>403,305</b>	<b>374,720</b>	<b>363,679</b>
<b>Liabilities</b>			
<i>Professional securities transactions</i>	20,180	21,808	17,076
<i>Other banks</i>	62,676	64,078	62,938
	<hr/>	<hr/>	<hr/>
Banks	82,856	85,886	80,014
<i>Savings</i>	71,559	66,272	63,060
<i>Professional securities transactions</i>	3,309	6,031	8,485
<i>Other funds entrusted</i>	97,703	99,329	100,629
	<hr/>	<hr/>	<hr/>
Funds entrusted	172,571	171,632	172,174
Debt securities	80,695	61,739	58,514
Other liabilities	11,907	7,699	12,039
Accruals and deferred income	12,513	8,218	4,187
Provisions	19,177	18,338	18,336
	<hr/>	<hr/>	<hr/>
	379,719	353,512	345,264
<i>Fund for general banking risks</i>	1,679	1,679	1,679
<i>Subordinated loans</i>	174	111	52
<i>Reserves</i>	17,270	14,911	13,030
<i>Third-party interests</i>	4,463	4,507	3,654
	<hr/>	<hr/>	<hr/>
Group equity	23,586	21,208	18,415
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>403,305</b>	<b>374,720</b>	<b>363,679</b>
Contingent liabilities	6,435	7,655	9,652
Irrevocable facilities	26,117	27,151	25,674

(1) At 1 January 2002 a change in accounting policy for pension charges relating to defined benefit pension schemes was introduced. The comparative figures for 2001 have been restated accordingly. Therefore, the 2001 figures presented above differ from the 2001 figures in the financial statements of 2001.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT OF RABOBANK GROUP

<i>(in EUR millions)</i>	2003	2002	2001 <sup>(1)</sup>
<b>Income</b>			
<i>Interest income</i>	17,794	18,265	20,042
<i>Interest expense</i>	11,784	12,874	14,960
	<hr/>	<hr/>	<hr/>
Interest	6,010	5,391	5,082
Income from securities and participating interests	519	529	517
<i>Commission income</i>	2,146	2,049	1,974
<i>Commission expense</i>	294	254	214
	<hr/>	<hr/>	<hr/>
Commission	1,852	1,795	1,760
Results on financial transactions	170	285	422
Other income	687	564	653
	<hr/>	<hr/>	<hr/>
<b>Total income</b>	<b>9,238</b>	<b>8,564</b>	<b>8,434</b>
<b>Expenses</b>			
<i>Staff costs</i>	3,770	3,682	3,565
<i>Other administrative expenses</i>	2,101	1,789	2,032
	<hr/>	<hr/>	<hr/>
Staff costs and other administrative expenses	5,871	5,471	5,597
Depreciation	372	368	368
	<hr/>	<hr/>	<hr/>
Operating expenses	6,243	5,839	5,965
Value adjustments to receivables	575	500	480
Value adjustments to financial fixed assets	18	252	59
	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>	<b>6,836</b>	<b>6,591</b>	<b>6,504</b>
Operating profit before taxation	2,402	1,973	1,930
Taxation on operating profit	733	514	532
	<hr/>	<hr/>	<hr/>
Operating profit/Group profit after taxation	1,669	1,459	1,398
Third-party interests	266	209	192
	<hr/>	<hr/>	<hr/>
<b>Net profit</b>	<b>1,403</b>	<b>1,250</b>	<b>1,206</b>

(1) At 1 January 2002 a change in accounting policy for pension charges relating to defined benefit pension schemes was introduced. The comparative figures for 2001 have been restated accordingly. Therefore, the 2001 figures presented above differ from the 2001 figures in the financial statements of 2001.

## CONSOLIDATED CASH FLOW STATEMENT OF RABOBANK GROUP

<i>(in EUR millions)</i>	2003	2002	2001 <sup>(1)</sup>
<b>Cash flow from operating activities</b>			
Operating profit/Group profit after taxation	1,669	1,459	1,398
Adjustments for:			
– depreciation	372	368	368
– value adjustments to receivables	575	500	480
– value adjustments to financial fixed assets	18	252	59
– movements in technical reserves relating to the insurance business	1,119	939	1,439
– movements in other provisions	(280)	(937)	(19)
– movements in accrued and deferred items	1,729	4,734	(2,591)
	<u>3,533</u>	<u>5,856</u>	<u>(264)</u>
<b>Cash flow from business operations</b>	<b>5,202</b>	<b>7,315</b>	<b>1,134</b>
Movements in short-term government paper	(1,398)	3,498	2,051
Movements in securities trading portfolio	2,665	3,340	198
Movements in securitised loans	(50)	(154)	159
Movements in banks	633	(675)	(4,294)
Movements in lending	(26,120)	(17,138)	(17,428)
Movements in funds entrusted	939	(542)	25,469
Other movements from operating activities	4,464	(469)	(8,793)
	<u>(18,867)</u>	<u>(12,140)</u>	<u>(2,638)</u>
<b>Net cash flow from operating activities</b>	<b>(13,665)</b>	<b>(4,825)</b>	<b>(1,504)</b>
<b>Cash flow from investing activities</b>			
Investments and purchases			
– investment portfolio	(24,222)	(22,495)	(35,864)
– participating interests	(45)	(126)	(39)
– tangible fixed assets	(686)	(802)	(869)
		<u>(23,423)</u>	<u>(36,772)</u>
Disposals, redemptions and sales	(24,953)		
– investment portfolio	19,900	23,801	29,676
– participating interests	15	136	457
– tangible fixed assets	227	333	202
	<u>20,142</u>	<u>24,270</u>	<u>30,335</u>
<b>Net cash flow from investing activities</b>	<b>(4,811)</b>	<b>847</b>	<b>(6,437)</b>
<b>Cash flow from financing activities</b>			
Movements in Member Capital and Trust Preferred Securities	1,389	1,575	1,384
Movements in subordinated loans	63	59	(1)
Movements in debt securities	18,956	3,225	8,627
Payment on Member Capital and Trust Preferred Securities	(269)	(206)	(122)
	<u>20,139</u>	<u>4,653</u>	<u>9,888</u>
<b>Net cash flow/Movements in cash and cash equivalents</b>	<b>1,663</b>	<b>675</b>	<b>1,947</b>

The cash flow statement provides a summary of the net movements in operating, investing and financing activities.

Cash and cash equivalents consist of legal tender and balances available on demand with central banks.

(1) At 1 January 2002 a change in accounting policy for pension charges relating to defined benefit pension schemes was introduced. The comparative figures for 2001 have been restated accordingly. Therefore, the 2001 figures presented above differ from the 2001 figures in the financial statements of 2001.

## **BASIS OF CONSOLIDATION**

The consolidated financial statements of Rabobank Group on the preceding pages include the financial information of Rabobank Nederland and the local member banks, as well as the financial information of other group companies. The assets, liabilities and results of these companies are consolidated in full. Third-party interests are disclosed separately. Joint ventures are included in the consolidated financial statements in proportion to the Bank's share. Account balances between the banking activities and the insurance activities are eliminated insofar as they arise from financing activities.

**UNCONSOLIDATED BALANCE SHEET OF RABOBANK NEDERLAND**  
**at 31 December (after profit appropriation)**

<i>(in EUR millions)</i>	2003	2002	2001 <sup>(1)</sup>
<b>Assets</b>			
Cash	5,959	2,682	2,374
Short-term government paper	3,024	1,706	5,245
<i>Professional securities transactions</i>	29,871	39,574	26,039
<i>Other banks</i>	82,826	68,893	68,741
<b>Banks</b>	<b>112,697</b>	<b>108,467</b>	<b>94,780</b>
<i>Public sector lending</i>	1,620	358	425
<i>Private sector lending</i>	54,147	54,342	54,953
<i>Professional securities transactions</i>	11,983	10,268	7,995
<b>Lending</b>	<b>67,750</b>	<b>64,968</b>	<b>63,373</b>
Interest-bearing securities	47,781	48,232	58,137
Shares	1,309	797	2,243
Participating interests in group companies	6,459	7,572	7,573
Other participating interests	47	59	115
Property and equipment	276	256	270
Other assets	2,195	1,877	2,386
Prepayments and accrued income	9,712	6,604	6,222
<b>Total assets</b>	<b>257,209</b>	<b>243,220</b>	<b>242,718</b>
<b>Liabilities</b>			
<i>Professional securities transactions</i>	19,487	21,535	16,165
<i>Other banks</i>	83,753	84,388	86,658
<b>Banks</b>	<b>103,240</b>	<b>105,923</b>	<b>102,823</b>
<i>Savings</i>	375	84	86
<i>Professional securities transactions</i>	1,740	3,997	5,626
<i>Other funds entrusted</i>	53,837	60,845	63,904
<b>Funds entrusted</b>	<b>55,952</b>	<b>64,926</b>	<b>69,616</b>
Debt securities	72,156	54,087	51,050
Other liabilities	6,310	3,041	7,328
Accruals and deferred income	10,713	7,587	4,390
Provisions	1,811	2,099	3,015
	250,182	237,663	238,222
<i>Fund for general banking risks</i>	439	439	439
<i>Share capital</i>	638	636	636
<i>Revaluation reserve</i>	56	81	271
<i>Other reserves</i>	120	14	250
<i>Loan associated with issue of Rabobank membership certificates</i>	3,737	3,737	2,250
<i>Loan associated with issue of Trust Preferred Securities</i>	2,037	650	650
<b>Equity</b>	<b>7,027</b>	<b>5,557</b>	<b>4,496</b>
<b>Total liabilities</b>	<b>257,209</b>	<b>243,220</b>	<b>242,718</b>
Contingent liabilities	8,511	9,907	10,273
Irrevocable facilities	19,702	21,522	20,379

(1) At 1 January 2002 a change in accounting policy for pension charges relating to defined benefit pension schemes was introduced. The comparative figures for 2001 have been restated accordingly. Therefore, the 2001 figures presented above differ from the 2001 figures in the financial statements of 2001.

## UNCONSOLIDATED PROFIT AND LOSS ACCOUNT OF RABOBANK NEDERLAND<sup>(1)</sup>

<i>(in EUR millions)</i>	2003	2002	2001 <sup>(2)</sup>
Profit of participating interests after taxation	1,018	761	834
Other income/(expense) after taxation	(496)	(318)	(460)
Net profit	522	443	374

(1) Prepared in accordance with section 402 of book 2 of the Netherlands Civil Code.

(2) At 1 January 2002 a change in accounting policy for pension charges relating to defined benefit pension schemes was introduced. The comparative figures for 2001 have been restated accordingly. Therefore, the 2001 figures presented above differ from the 2001 figures in the financial statements of 2001.

**Extracts from the  
Rabobank Group  
Interim Report  
2004**

## CONSOLIDATED BALANCE SHEET

<i>(in EUR millions)</i>	30-06-2004	31-12-2003	30-06-2003
<b>Assets</b>			
Cash	9,478	7,117	6,371
Short-term government paper	3,388	3,211	2,619
<i>Professional securities transactions</i>	36,237	30,199	30,201
<i>Other banks</i>	12,268	11,720	14,263
Banks	48,505	41,919	44,464
<i>Public sector lending</i>	3,210	2,161	2,015
<i>Private sector lending</i>	245,560	235,425	221,688
<i>Professional securities transactions</i>	12,824	13,211	13,460
Lending	261,594	250,797	237,163
Interest-bearing securities	85,045	71,141	82,831
Shares	12,414	10,093	11,966
Participating interests	499	201	199
Property and equipment	3,962	3,964	3,900
Other assets	4,534	4,984	4,996
Prepayments and accrued income	10,929	9,878	7,858
<b>Total assets</b>	<b>440,348</b>	<b>403,305</b>	<b>402,367</b>
<b>Liabilities</b>			
<i>Professional securities transactions</i>	22,289	20,180	20,002
<i>Other banks</i>	71,153	62,676	64,889
Banks	93,442	82,856	84,891
<i>Savings</i>	75,070	71,559	69,104
<i>Professional securities transactions</i>	3,274	3,309	10,487
<i>Other funds entrusted</i>	102,140	97,703	101,287
Funds entrusted	180,484	172,571	180,878
Debt securities	96,617	80,695	76,484
Other liabilities	13,183	11,907	11,826
Accruals and deferred income	11,803	12,513	7,391
Provisions	20,140	19,177	18,923
	415,669	379,719	380,393
<i>Fund for general banking risks</i>	1,679	1,679	1,679
<i>Subordinated loans</i>	2,245	2,211	759
<i>Reserves</i>	16,022	15,233	14,819
<i>Third-party interests</i>	4,733	4,463	4,717
Group equity	24,679	23,586	21,974
<b>Total liabilities</b>	<b>440,348</b>	<b>403,305</b>	<b>402,367</b>
Contingent liabilities	7,310	6,435	7,373
Irrevocable facilities	27,693	26,117	28,577

These interim figures are unaudited.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>(in EUR millions)</i>	First half 2004	Second half 2003	First half 2003
<b>Income</b>			
Interest	3,133	3,027	2,929
Income from securities and participating interests	229	244	109
Commission	1,020	983	869
Results on financial transactions	133	101	69
Other income	399	312	375
<b>Total income</b>	<b>4,914</b>	<b>4,667</b>	<b>4,351</b>
<b>Expenses</b>			
<i>Staff costs</i>	1,928	1,948	1,822
<i>Other administrative expenses</i>	1,155	1,180	921
Staff costs and other administrative expenses	3,083	3,128	2,743
Depreciation	177	195	177
Operating expenses	3,260	3,323	2,920
Value adjustments to receivables	275	300	275
Value adjustments to financial fixed assets	(12)	(98)	(50)
<b>Total expenses</b>	<b>3,523</b>	<b>3,525</b>	<b>3,145</b>
Operating profit before taxation	1,391	1,142	1,206
Tax on operating profit	411	365	347
Operating profit/Group profit after taxation	980	777	859
Third-party interests	155	141	125
<b>Net profit</b>	<b>825</b>	<b>636</b>	<b>734</b>

These interim figures are unaudited.

## CASH FLOW STATEMENT

<i>(in EUR millions)</i>	First half 2004	First half 2003
<b>Cash flow from operational activities</b>		
Operating profit/Group profit after taxation	980	859
Adjustments for:		
– depreciation	177	177
– value adjustments to receivables	275	275
– value adjustments to financial fixed assets	(12)	(50)
– movements in technical reserves relating to the insurance business	818	643
– movements in other provisions	145	(58)
– movements in accrued and deferred items	(1,761)	(1,345)
	<u>(358)</u>	<u>(358)</u>
<b>Cash flow from business operations</b>	<b>622</b>	<b>501</b>
Movements in short-term government paper	(177)	(806)
Movements in securities trading portfolio	(13,010)	(12,813)
Movements in securitized loans	(481)	379
Movements in banks	3,895	1,732
Movements in lending	(11,072)	(12,186)
Movements in funds entrusted	7,913	9,246
Other movements from operational activities	1,841	2,813
	<u>(11,091)</u>	<u>(11,635)</u>
<b>Net cash flow from operational activities</b>	<b>(10,469)</b>	<b>(11,134)</b>
<b>Cash flow from investing activities</b>		
Investing activities concerning:		
– investment portfolio	(2,730)	(716)
– participating interests	(275)	(51)
– tangible fixed assets	(116)	(207)
	<u>(3,121)</u>	<u>(974)</u>
<b>Net cash flow from investing activities</b>	<b>(3,121)</b>	<b>(974)</b>
<b>Cash flow from financing activities</b>		
Rabobank Membership Certificates	(3)	–
Movements in subordinated loans	34	(2)
Movements in debt securities	15,922	14,745
Payment on Rabobank Membership Certificates	(108)	(110)
	<u>15,845</u>	<u>(14,633)</u>
<b>Net cash flow from financing activities</b>	<b>15,845</b>	<b>(14,633)</b>
<b>Net cash flow/Movements in cash and cash equivalents</b>	<b>2,255</b>	<b>2,525</b>

The cash flow statement provides a summary of the net movements in operational, investing and financing activities.

Cash and cash equivalents consist of legal tender and balances available on demand with central banks.

These interim figures are unaudited.

## **AUDITORS' REPORT**

### **Auditors' report to the consolidated financial data of Rabobank Group**

The consolidated financial data as set out on pages 69 to 71 of this Offering Circular have been derived from the consolidated financial statements for the years 2003, 2002 and 2001 of Rabobank Group, as audited by us. The consolidated financial data are the responsibility of Rabobank Group's management.

In our opinion, the consolidated financial data for the years ended December 31, 2003, 2002 and 2001, as included in this Offering Circular on pages 69 to 71, are consistent, in all material respects, with the consolidated financial statements of Rabobank Group from which they have been derived. We issued unqualified auditors' report on these consolidated financial statements on March 4, 2004, March 6, 2003 and March 7, 2002 respectively. These auditors' reports are included in the consolidated financial statements for the years referred to, which form an integral part of this Offering Circular.

Utrecht, January 25, 2005

**Ernst & Young Accountants**

### **Auditors' report to the unconsolidated financial data of Rabobank Nederland**

The unconsolidated financial data as set out on pages 73 and 74 of this Offering Circular have been derived from the financial statements for the years ended December 31, 2003, 2002 and 2001 of Rabobank Nederland, as audited by us. The unconsolidated financial data are the responsibility of Rabobank Nederland's management.

In our opinion, the unconsolidated financial data for the years ended December 31, 2003, 2002 and 2001, as included in this Offering Circular on pages 73 and 74, are consistent, in all material respects, with the financial statements of Rabobank Nederland from which they have been derived. We issued unqualified auditors' reports on these financial statements on March 4, 2004, March 6, 2003 and March 7, 2002, respectively. These auditors' reports are included in the financial statements for the years referred to, which form an integral part of this Offering Circular.

Utrecht, January 25, 2005

**Ernst & Young Accountants**

### **Review Report to the Consolidated Interim Financial Data of Rabobank Group**

The consolidated interim financial data for the six month periods ended June 30, 2004 and 2003, as set out on page 76 up to and including page 78 of this Offering Circular, have been derived from the condensed consolidated interim financial statements of Rabobank Group for the six month periods ended June 30, 2004 and 2003 as reviewed by us. The consolidated interim financial data are the responsibility of Rabobank Group's management.

In our opinion, the consolidated interim financial data for the six month periods ended June 30, 2004 and 2003, as included in this Offering Circular on page 76 up to and including page 78, are consistent, in all material respects, with the condensed consolidated interim financial statements of Rabobank Group from which they have been derived. We issued an unqualified review report on these condensed consolidated interim financial statements on September 2, 2004. This review report is included in the interim report 2004 of Rabobank Group.

Utrecht, January 25, 2005

**Ernst & Young Accountants**

## **Auditors' report to this Offering Circular**

### **Introduction**

We have taken cognisance of this Offering Circular of the Euro 5,000,000,000 Principal Protected Medium Term Note Programme (Rabobank Garantiecificaten Programma) dated January 25, 2005 of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) having its registered office in Amsterdam, the Netherlands with the aim of establishing whether this Offering Circular at least contains the information which, to the extent applicable, is required to be included therein pursuant to Section 2 (2) and (5) of the Netherlands Decree on the Supervision of the Securities Trade 1995. This Offering Circular is the responsibility of Rabobank Group's management. Our responsibility is to express an opinion pursuant to section 2 (4) of the Annex A to the Netherlands Decree on the Supervision of the Securities Trade 1995.

### **Scope**

Based on auditing standards generally accepted in the Netherlands, we are required to plan and perform our procedures to obtain assurance that this Offering Circular at least contains the information which, to the extent applicable, is required pursuant to Section 2 (2) and (5) of the Netherlands Decree on the Supervision of the Securities Trade 1995. Unless expressly stated otherwise in this Offering Circular, the information included in this Offering Circular has not been audited. We believe that our procedures provide a reasonable basis for our opinion.

### **Opinion**

In our opinion, this Offering Circular at least contains the information which, to the extent applicable, is required pursuant to Section 2 (2) and (5) of the Netherlands Decree on the Supervision of the Securities Trade 1995.

Utrecht, January 25, 2005

**Ernst & Young Accountants**

## TAXATION

### General

The following summary describes the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Dutch taxes set forth below is included for general information purposes only.

This summary is based on the Dutch tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Dutch tax consequences of a Noteholder who holds a substantial interest (*aanmerkelijk belang*) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

### Withholding Tax

No Dutch withholding tax is due upon payments on the Notes, provided that the Notes do not in fact have the function of equity of the Issuer within the meaning of Article 10(1)(d) of the Corporate Income Tax Act 1969.

### Corporate Income Tax and Individual Income Tax

#### *Residents of the Netherlands*

If the Noteholder is resident or deemed to be resident of the Netherlands, subject to Dutch corporate income tax and the Notes are attributable to its (deemed) business in the Netherlands, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual and resident or deemed to be resident of the Netherlands for Dutch tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised upon the redemption and disposal of the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30% on deemed income from “savings and investments” (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4% of the average of the individual’s “yield basis” (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual’s yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual’s yield basis.

### ***Non-residents of the Netherlands***

A Noteholder that is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident of the Netherlands) is not taxable in respect of income derived from the Notes and gains realised upon the redemption and disposal of the Notes, unless:

- (i) the Noteholder has an enterprise or an interest in an enterprise, that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which Dutch permanent establishment or permanent representative the Notes are attributable, or
- (ii) the Noteholder is an individual and such income or gains qualify as “income from miscellaneous activities” (resultaat uit overige werkzaamheden) in the Netherlands within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities in the Netherlands with respect to the Notes that exceed “regular, active portfolio management” (normaal, actief vermogensbeheer).

### **Gift and Inheritance Taxes**

#### ***Residents of the Netherlands***

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

An individual of the Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax only if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift.

#### ***Non-residents of the Netherlands***

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a Noteholder who is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, unless:

- (i) such Noteholder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which Dutch permanent establishment or permanent representative the Notes are or were attributable; or
- (ii) the Notes are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death, other than by way of securities or through an employment contract; or
- (iii) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death, being a resident or deemed to be a resident of the Netherlands.

### ***Treaties***

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

### **Other Taxes and Duties**

No Dutch VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

## **EU Savings Directive**

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive Member States will (if equivalent measures have been introduced by certain non-EU countries) be required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or 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 will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

## SUBSCRIPTION AND SALE

### Summary of Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated April 2, 2004 as supplemented by a Supplement Programme Agreement dated January 25, 2005 (as amended or supplemented as at the date of issue of the Notes (the Issue Date)), (together the **Programme Agreement**) between the Issuer and the Initial Dealers (as defined in the Programme Agreement) the Notes will be offered on a continuous basis by the Issuer to the Initial Dealers (unless otherwise agreed). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Initial Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

### Selling Restrictions

#### *The Netherlands*

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that no Notes (other than Notes listed on Euronext Amsterdam or Notes having a denomination equal to or in excess of Euro 50,000 (or its equivalent in any other currency)) issued under the Programme shall, if the prohibition referred to in article 3 of the Netherlands 1995 Act on the supervision of the securities trade (as amended and/or restated from time to time) (Wet toezicht effectenverkeer 1995) (the **Securities Act**) applies, be offered, sold, delivered or transferred unless (i) an exception to or another exemption as referred to in the 1995 Exemption Regulation (as amended and/or restated from time to time) based on the Act (Vrijstellingsregeling Wet toezicht effectenverkeer 1995) from the above prohibition applies and the requirements of such exemption are fully complied with or (ii) the Netherlands Authority for the Financial Markets has, upon request, granted an individual dispensation from the above prohibition and the conditions attached to such dispensation are fully complied with.

Pursuant to the Netherlands Savings Certificates Act (Wet inzake spaarbewijzen or the **Savings Certificates Act**) of May 21, 1985, any transfer or acceptance of Notes which falls within the definition of savings certificates (spaarbewijzen) in the Savings Certificates Act is prohibited unless the transfer and acceptance is done through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. The aforesaid prohibition does not apply (i) to a transfer and acceptance by natural persons not acting in the course of their business of profession and (ii) to the issue of Notes qualifying as savings certificates to the first holders thereof. If the Savings Certificates Act applies, certain identification requirements in relation to the issue of, transfer of, or payment on Notes qualifying as savings certificates have to be complied with. The Savings Certificates Act is not applicable to the issue and trading of Notes qualifying as savings certificates, if such Notes are physically issued outside the Netherlands and are not immediately thereafter distributed within the Netherlands in the course of primary trading.

#### *United States*

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise, until 40 days after the completion of the distribution as

determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the relevant Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraphs and this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of the offering and the issue date, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Pricing Supplement.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
2. in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
3. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to the Issuer; and
4. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***General***

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

None of the Issuer or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and will obtain any consent, approvals or permission required by it for the purchase, offer, sales or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer or any of the other Dealers shall have any responsibility therefor.

## GENERAL INFORMATION

1. In connection with the application to list the Notes issued under the Programme on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the Articles of Association of each Issuer will be deposited with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated the Programme the number 12620 for listing purposes.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The update of the Programme, the increase in size of the Programme to Euro 5,000,000,000 and the issue of the Notes was authorised pursuant to a resolution of the Executive Board of the Issuer passed on November 9, 2004 and approved by the Supervisory Board of the Issuer on December 2, 2004.
3. Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since June 30, 2004 and no material adverse change in the financial position or prospects of the Issuer or the Group since December 31, 2003.
4. Neither the Issuer nor the Group is involved in any litigation or arbitration or other proceedings relating to claims or amounts that are material in the context of the issue of the Notes nor, so far as the Issuer is aware, is any such litigation or arbitration or other proceedings involving the Issuer or the Group pending or threatened.
5. Each Note, Receipt, Coupon and Talon will bear the following legend: Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.
6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
7. So long as any of the Notes are outstanding copies of the following documents will be available, free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Paying Agent in Amsterdam and Luxembourg:
  - (i) the Programme Agreement (as amended and supplemented from time to time);
  - (ii) the Agency Agreement (as amended and supplemented from time to time) (which includes the form of the Global Notes, the Definitive Notes, and the Coupons, Talons and Receipts relating to Definitive Notes) and the Covenant (as amended and supplemented from time to time);
  - (iii) the Articles of Association of the Issuer;
  - (iv) a copy of the latest Offering Circular (together with any supplement thereto); and
  - (v) a copy of the ISDA Definitions.
8. Copies of the latest annual consolidated accounts of the Issuer and the latest unaudited consolidated half yearly interim accounts of the Issuer may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Copies of the latest annual non-consolidated accounts of the Issuer may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The Issuer does not publish non-consolidated interim accounts.
9. The auditor of the Rabobank Group is Ernst & Young Accountants, Euclideslaan 1, 3584 BL Utrecht.
10. A copy of this Offering Circular has been, and a copy of each Pricing Supplement for unlisted Notes or Notes listed on the Luxembourg Stock Exchange will be, filed with the Netherlands Authority for the Financial Markets.
11. The Issuer is subject to corporate income tax.

**PRINCIPAL OFFICE OF THE ISSUER**

**Rabobank Nederland**  
Croeselaan 18  
NL-3521 CB Utrecht

**INDEPENDENT AUDITOR TO THE ISSUER**

**Ernst & Young Accountants**  
Euclideslaan 1  
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The Netherlands

**DEALERS**

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**PAYING AGENTS**

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**LUXEMBOURG STOCK EXCHANGE LISTING AGENT**

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L-1115 Luxembourg  
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**EURONEXT AMSTERDAM LISTING AGENT**

**Rabobank Nederland**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**LEGAL ADVISERS TO THE DEALERS**

*in respect of Netherlands law*

**Allen & Overy LLP**

Apollolaan 15  
1077 AB Amsterdam  
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