

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

**U.S. Resolution Plan**

**Public Section**

**December 23, 2014**

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## I. Introduction

To promote financial stability, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and the related rule (the “Title I Rule”) require each nonbank financial company supervised by the Board of Governors of the Federal Reserve System (the “FRB”) and each bank holding company with total consolidated assets of \$50 billion or more (each, a “Covered Company”) periodically to submit to the FRB and the Federal Deposit Insurance Corporation (“FDIC”) a plan for such company’s rapid and orderly resolution in the event of material financial distress (as defined in the Title I Rule, “Material Financial Distress”) or failure.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank Nederland” and, together with its subsidiaries worldwide, “Rabobank”) is a foreign-based “Covered Company” under the Title I Rule. This resolution plan (the “Resolution Plan” or the “2014 Resolution Plan”) is Rabobank Nederland’s second annual submission under the Title I Rule. Rabobank Nederland submitted its initial resolution plan (the “Initial Resolution Plan” or the “2013 Resolution Plan”) on December 24, 2013. The Public Section of the Initial Resolution Plan can be accessed on the FRB website ([www.federalreserve.gov](http://www.federalreserve.gov)) and the FDIC website ([www.fdic.gov](http://www.fdic.gov)).

This Public Section of the Resolution Plan provides a high-level overview of the Resolution Plan. The Resolution Plan presents a strategy for the resolution of Rabobank Nederland’s material U.S. operations<sup>1</sup> in the unlikely event of Material Financial Distress at or failure of Rabobank Nederland. The Resolution Plan was developed as a roadmap to facilitate the orderly resolution of Rabobank Nederland’s material U.S. operations within a reasonable timeframe while preserving asset value.

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<sup>1</sup> As discussed in Sections II and III below, Rabobank Nederland has determined that Rabobank (representing Rabobank Nederland and its subsidiaries) has no core business lines in the United States for purposes of the Title I Rule (“Core Business Lines”); in addition, for purposes of this Resolution Plan, Rabobank Nederland has deemed the New York branch of Rabobank Nederland (“New York Branch”) to be its only material entity for purposes of the Title I Rule (“Material Entity”). Throughout this Resolution Plan, Rabobank Nederland’s “material U.S. operations” refers to Rabobank Nederland’s only Material Entity identified in this Resolution Plan—New York Branch.

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## **Overview of Rabobank Group**

Rabobank Group, to which Rabobank Nederland belongs, is an international financial services provider operating on the basis of cooperative principles. As of December 31, 2013, Rabobank Group comprised Rabobank Nederland and its subsidiaries and 129 independent local Dutch banks that are members of Rabobank Nederland and that are banking cooperatives in their own right (“Local Rabobanks”). Consolidated financial statements are published for Rabobank Group and, accordingly, financial information for Rabobank Group has served as the basis for this Resolution Plan. Rabobank Group, as of December 31, 2013, had €674.1 billion in assets.<sup>2</sup> Unless otherwise noted, the information provided herein is as of December 31, 2013.

Rabobank Group operates in 41 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on maintaining Rabobank Group’s position in the Dutch market and, internationally, on food and agri.

Rabobank Group’s cooperative core business comprises independent Local Rabobanks. Clients can become members of their Local Rabobank. In turn, the Local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organization that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the Local Rabobanks. With 722 branches and 2,524 cash-dispensing machines, the Local Rabobanks form an extensive banking network in the Netherlands. In the Netherlands, the Local Rabobanks serve approximately 6.7 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

Rabobank Nederland is the holding company of a number of specialized subsidiaries in the Netherlands and abroad. Rabobank International is the trade name for Rabobank Group’s wholesale banking and international retail banking businesses.<sup>3</sup>

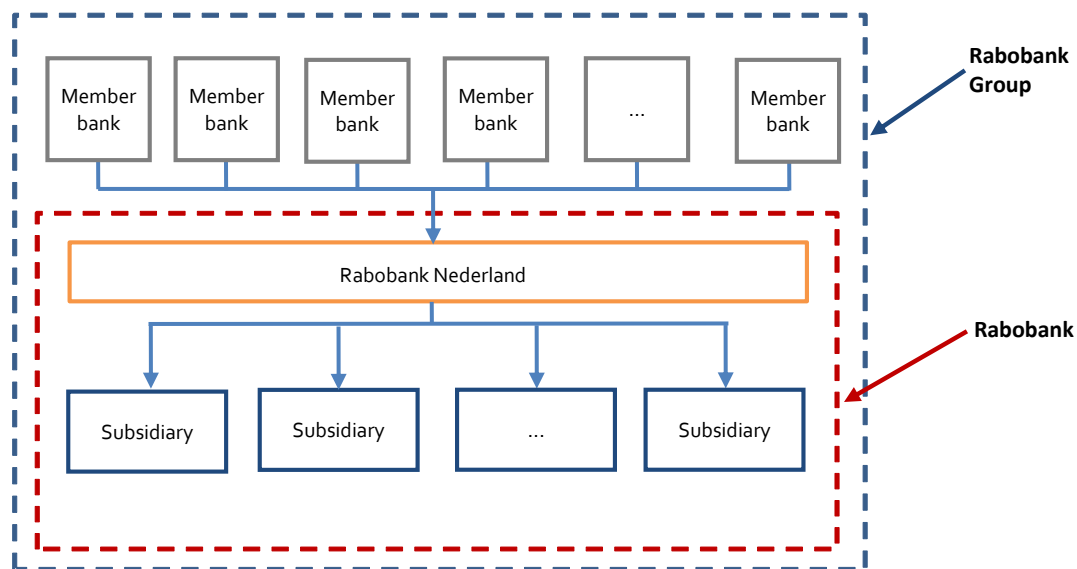
The figure below illustrates a simplified organizational structure of Rabobank Group.

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<sup>2</sup> Unless otherwise indicated, (i) all financial information provided in this Resolution Plan refers to the periods ended December 31, 2013, or to the values as of that date, as the context requires; (ii) all financial information pertaining to Rabobank Group has been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union; (iii) all financial information pertaining to Rabobank Nederland has been prepared in accordance with the accounting policies generally accepted in the Netherlands, which are the same as the IFRS with one exception concerning the measurement of associates (and joint ventures); and (iv) all financial information pertaining to New York Branch and the UAH Group has been prepared in accordance with the accounting principles generally accepted in the United States (“U.S. GAAP”).

<sup>3</sup> During 2014, Rabobank ceased using “International” to designate its combined wholesale, rural and retail activities. The term “Rabobank International” is used in this Resolution Plan consistent with Rabobank Nederland’s practice at year-end 2013.

Figure I-1 Illustration of Rabobank Group’s organizational structure



### Overview of Rabobank Group’s U.S. Operations and Activities

Rabobank Group has diverse financial operations in the United States involving wholesale, rural and retail clients. Rabobank Group’s U.S. activities are conducted through more than 60 legal entities.

Rabobank Group conducts its wholesale activities in the United States through New York Branch and certain subsidiaries of Utrecht - America Holdings, Inc. (“UAH” and, together with its subsidiaries, the “UAH Group”), the top-tier U.S. holding company indirectly wholly owned by Rabobank Nederland. Rabobank Group conducts its U.S. rural and retail activities primarily through certain subsidiaries of UAH and conducts its equipment leasing activities through De Lage Landen U.S. Holding Company, L.P. and its subsidiaries. Collectively, UAH Group and New York Branch hold approximately 90% of the U.S. operating assets of Rabobank Group.

### II. The Name of the Material Entity

Material entity is defined in the Title I Rule as “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line” (12 C.F.R. 243.2(1); 12 C.F.R. 381.2(l)). Rabobank Nederland has identified New York Branch as its sole Material Entity for purposes of the Title I Rule.

### III. Description of Core Business Lines

The Title I Rule defines core business lines as “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value” to the Covered Company (12 C.F.R. 243.2(d); 12 C.F.R. 381.2(d)). Rabobank Nederland has conducted a review of Rabobank’s U.S. business lines, considering both quantitative and qualitative factors, and has determined that Rabobank does not have any Core Business Lines in the United States for purposes of the Title I Rule.

#### IV. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

##### Balance Sheet

The consolidated statement of financial position of Rabobank Group, as of December 31, 2013, is presented below. For further information, please see Rabobank Group's Consolidated Financial Statements 2013.

Figure IV-1 Rabobank Group's Consolidated Statement of Financial Position

<b>Rabobank Group Consolidated Statement of Financial Position</b> <i>Euros in billions</i>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>Assets</b>		
Cash and cash equivalents .....	€ 43.0	€ 68.1
Due from other banks.....	40.8	35.4
Trading financial assets.....	5.3	6.4
Other financial assets at fair value through profit or loss .....	5.0	5.9
Derivative financial instruments .....	39.7	65.4
Loans to customers .....	460.2	485.3
Available-for-sale financial assets .....	46.4	50.4
Investments in associates .....	3.6	3.6
Intangible assets .....	2.0	2.3
Property and equipment .....	6.9	6.5
Investment properties.....	1.1	1.5
Current tax assets .....	0.2	0.6
Deferred tax assets .....	1.9	1.0
Other assets .....	8.8	9.8
Non-current assets held for sale and discontinued operations .....	9.2	8.5
<b>Total assets</b>	<b>€ 674.1</b>	<b>€ 750.7</b>
<b>Liabilities</b>		
Due to other banks .....	€ 15.5	€ 27.1
Due to customers.....	329.4	334.3
Debt securities in issue.....	195.4	223.3
Derivative financial instruments and other trade liabilities .....	50.2	74.8
Other debts.....	7.4	11.2
Other financial liabilities at fair value through profit or loss.....	19.1	24.1
Provisions.....	1.0	0.7
Current tax liabilities.....	0.3	0.2
Deferred tax liabilities.....	0.3	0.2
Subordinated debt .....	7.8	5.4
Liabilities held for sale and discontinued operations .....	7.8	7.4
<b>Total liabilities</b>	<b>€ 634.1</b>	<b>€ 708.6</b>

<b>Rabobank Group Consolidated Statement of Financial Position</b> <i>(continued)</i>			<b>December 31,</b>	<b>December 31,</b>
<i>Euros in billions</i>			<b>2013</b>	<b>2012</b>
<b>Equity</b>				
Equity of Rabobank Nederland and Local Member Banks .....	€	24.6	€	25.3
Equity instruments issued directly .....		—		—
Rabobank Member Certificates .....		5.8		6.7
Capital Securities .....		7.0		7.1
	€	37.5	€	39.1
<b>Equity instruments issued by subsidiaries</b>				
Capital Securities .....	€	0.2	€	0.2
Trust Preferred Securities III to VI .....		1.3		1.3
		1.5		1.6
Other non-controlling interests .....		1.0		1.4
		<b>40.0</b>		<b>42.1</b>
<b>Total equity</b>		<b>40.0</b>		<b>42.1</b>
<b>Total equity and liabilities</b>	€	<b>674.1</b>	€	<b>750.7</b>

### **Funding Sources**

Rabobank Group obtains funding from diversified funding sources in a range of currencies. Consistent with its retail Dutch heritage, domestic retail banking accounts for 65% of amounts due to customers, with the remaining 35% share being accounted for by wholesale banking and international retail banking and other activities. At year-end 2013, senior unsecured bond funding was 45% denominated in Euros, 17% denominated in U.S. dollars, 12% denominated in Australian dollars, 8% denominated in Japanese yen, 5% in Pounds Sterling, and 13% in other currencies.

Liquidity risk has long been recognized as a major type of risk by Rabobank Group. In line with the Capital Requirements Directive IV adopted by the European Union in June 2013, policy is aimed at financing long-term lending with stable funding, *i.e.*, funds entrusted by customers and long-term funding provided by the professional markets. Responsibility for the day-to-day management of the liquidity management of the liquidity position, the raising of professional funding in the money market and the capital market, and the management of the structural position lies with Rabobank Group's Treasury department, which reports to the Chief Financial Risk Officer.

Liquidity risk management is based on three pillars. The first pillar sets strict limits for the maximum cash outflow with the wholesale banking division. An extensive buffer of liquid assets is maintained as a second pillar. The third pillar in limiting liquidity risk is a prudent funding policy. This aims to provide for the funding requirements of group entities at acceptable costs. The diversification of funding sources and currencies, the flexibility of the funding instruments used and an active investor relations function play an important part in this respect. This helps to ensure that Rabobank Group does not become excessively dependent on any single source of funding.

## Capital

At the end of 2013, Rabobank Group had a core tier 1 ratio of 13.5%, a tier 1 ratio of 16.6% and a total capital ratio of 19.8%. The core tier 1 ratio expresses the core tier 1 capital as a percentage of the risk-weighted assets. In 2013, this ratio rose from 13.1% to 13.5%. The volume of tier 2 capital increased, and the capital ratio therefore also improved slightly. This ratio, which relates the qualifying capital to the risk-weighted assets, came to 19.8% from 19.0% at year-end 2012. Rabobank intends to increase its capital ratios over the coming years by improving its profitability and more specifically targeting the volume of its risk-weighted assets. In practical terms, Rabobank Group's target is a core tier 1 ratio of 14% and a capital ratio of at least 20% by the end of 2016.

Rabobank Group's required regulatory capital stood at €16.9 billion at year-end 2013. Of the total capital requirement, 90% relates to credit and transfer risk, 9% to operational risk, and 1% to market risk. Rabobank Group calculates the regulatory capital for credit risk for virtually its entire loan portfolio on the basis of the Advanced Internal Rating Approach approved by the Dutch Central Bank. The Standardized Approach is applied, in consultation with the Dutch Central Bank, to portfolios with relatively limited exposure and to a few smaller foreign portfolios that are not suited to the Advanced Internal Rating Approach. Operational risk is measured using the internal model approach approved by the Dutch regulator that is based on the Advanced Measurement Approach. Regarding market risk, Rabobank has obtained permission from the Dutch Central Bank to calculate the general and specific position risk using its own internal value-at-risk models, based on the rules of Capital Adequacy Directive II.

Figure IV-2 Rabobank Group's Financial Position and Solvency Figures

<b>Financial Position and Solvency</b> <i>Euros in billions</i>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Equity.....	€ 40.0	€ 42.1
Tier I Capital.....	35.1	38.4
Core Tier I Capital.....	28.5	29.2
Qualifying Capital.....	41.6	42.3
Risk-Weighted Assets.....	210.8	222.8

Figure IV-3 Rabobank Group's Ratios

<b>Ratios</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Total Capital Ratio.....	19.8%	19.0%
Tier I Ratio.....	16.6%	17.2%
Core Tier I Ratio.....	13.5%	13.1%
Equity Capital Ratio.....	16.1%	15.3%
Loan to Deposit Ratio.....	1.35	1.39
Return on Equity.....	5.2%	5.4%
Efficiency Ratio.....	75.0%	66.1%
Net Profit Growth.....	-2.2%	-21.7%



## V. Description of Derivative and Hedging Activities

Rabobank Group uses certain derivative financial instruments to provide services to its clients and to manage its own risks. Derivative financial instruments generally comprise foreign exchange contracts, currency and interest rate futures, forward rate agreements, currency and interest rate swaps and currency and interest rate options (written as well as acquired). Derivative financial instruments might be traded on an exchange or as over-the-counter (“OTC”) instruments between an entity of the Rabobank Group and a client. All derivative financial instruments are recognized at fair value. The fair value is determined using listed market prices, prices offered by traders, cash flow discounting and option valuation models based on current market prices and contract prices for the underlying instruments, as well as the time value of money, yield curves and the volatility of the underlying assets and liabilities. All derivative financial instruments are included under assets if their fair value is positive and under liabilities if their fair value is negative. Derivative financial instruments that are embedded in other financial instruments are treated separately if their risks and characteristics are not closely related to those of the underlying derivative contract and this contract is not classified as at fair value through profit and loss.

### Derivative Financial Instruments Issued or Held for Trading

Rabobank Group trades in financial instruments to take positions in tradable or OTC instruments, including derivative financial instruments, so that it can profit from short-term movements on share and bond markets and in exchange and interest rates. For this type of trading, Rabobank Group sets risk limits relating to market positions at the end of the day (overnight trades) as well as during the day (intraday trades). Except under specific hedging arrangements, the currency and interest rate risks associated with these derivative financial instruments are usually offset by taking counter positions in order to manage the volatility in the net amounts needed to liquidate the market positions.

The table below shows the notional amounts and the positive and negative fair values of Rabobank Group’s derivative financial instruments held for trading as of December 31, 2013. For further information, please see Rabobank Group’s Consolidated Financial Statements 2013.

Figure V-1 Rabobank Group’s Derivative Financial Instruments Held for Trading

<b>Derivative Financial Instruments Held for Trading</b> <i>Euros in millions</i>	<b>Notional Amounts</b>	<b>Fair Values</b>	
		<b>Assets</b>	<b>Liabilities</b>
<b>Currency derivative financial instruments</b>			
Unlisted tradable contracts (OTC)			
Forward currency contracts .....	€ 40,423	€ 391	€ 339
Currency swaps .....	333,171	4,175	5,172
Currency options .....	3,681	41	41
Cross-currency interest rate swaps .....	17	5	1
Listed tradable contracts			
Currency futures .....	3,808	11	5
Options .....	257	17	8
<i>Total currency derivative financial instruments</i>	€ 381,357	€ 4,640	€ 5,566

<b>Derivative Financial Instruments Held for Trading</b> <i>Euros in millions</i>	<b>Notional Amounts</b>	<b>Fair Values</b>	
		<b>Assets</b>	<b>Liabilities</b>
<b>Interest rate derivative financial instruments</b>			
Unlisted tradable contracts (OTC)			
Interest rate swaps .....	€ 2,009,856	€ 26,818	€ 23,483
Forward rate agreements .....	166,404	-	1
Interest rate options .....	113,487	3,028	3,103
<i>Total OTC contracts</i>	€ 2,289,747	€ 29,846	€ 26,587
Listed tradable contracts			
Interest rate swaps .....	47,937	2	1
<i>Total interest rate derivative financial instruments</i>	€ 2,337,684	€ 29,848	€ 26,588
<b>Credit derivative financial instruments</b>			
Credit default swaps .....	€ 3,815	€ 23	€ 10
Total return swaps .....	4,036	173	442
<i>Total credit derivative financial instruments</i>	€ 7,851	€ 196	€ 452
<b>Equity instruments/index derivative financial instruments</b>			
Unlisted tradable contracts (OTC)			
Options .....	€ 2,137	€ 340	€ 300
Listed tradable contracts			
Futures .....	37	-	-
Options .....	7,643	373	372
<i>Total equity derivative financial instruments</i>	€ 9,817	€ 713	€ 672
Other derivative financial instruments .....	€ 13,058	€ 750	€ 994
<b><i>Total derivative financial assets/liabilities held for trading</i></b>	<b>€ 2,749,767</b>	<b>€ 36,147</b>	<b>€ 34,272</b>

### **Derivative Financial Instruments Held as Hedges**

Rabobank concludes various derivative contracts that are intended as fair value, cash flow or net investment hedges, and which accordingly qualify as such. Rabobank also concludes derivative contracts as hedges against economic risks. It does not apply hedge accounting to these contracts.

#### **Fair value hedges**

The main components of Rabobank Group's fair value hedge are interest-rate swaps and cross-currency swaps which serve as protection against a potential change in the fair value of fixed-income financial assets and liabilities in both local and foreign currencies. The net fair value of these swaps at December 31, 2013 was -€10,427 million (2012: -€16,131 million).

Rabobank Group hedges a portion of its existing currency and interest-rate risk of securities issued by means of fair value hedges in the form of cross-currency interest-rate swaps. The net fair value of these interest-rate swaps as at December 31, 2013, is €1,947 million (2012: €2,246 million). For the year ending on December 31, 2013, Rabobank Group reported a profit of €215 million (2012: -€17 million) as a result of the portion of the fair value hedges which was classified as ineffective hedges.

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For the year ending on December 31, 2013, Rabobank Group reported a profit of €2,782 million (2012: -€5,250 million) for the hedging instruments. Total profit from the hedged position, attributable to the hedged risk, totaled -€2,567 million (2012: €5,233 million).

### **Cash Flow Hedges**

Rabobank Group's cash-flow hedges consist mainly of cross-currency interest-rate swaps which serve to protect against a potential change in cash flows from financial assets in foreign currencies with floating interest rates. The net fair value of the cross-currency interest rate swaps, classified as cash-flow hedges as at December 31, 2013, is -€2,405 million (2012: €408 million).

In 2013, Rabobank Group accounted for an amount of €-1,450 million (2012: €145 million) after taxation in equity as effective changes in the fair value of derivatives in cash-flow hedges. In 2013, an amount of €1,459 million (2012: €7 million) after taxation of cash-flow hedge reserves was reclassified to the profit or loss account. The cash-flow hedge reserves as part of equity totaled €49 million (2012: €40 million) at December 31, 2013. This amount fluctuates along with the fair value of the derivatives in the cash-flow hedges and is accounted for in profit over the term of the hedged position as trading profit. The cash flow hedge reserve relates to a large number of derivative and hedged positions with different terms. The maximum term is 97 years, with the largest concentration exceeding 5 years. For the year ending on December 31, 2013, Rabobank Group reported a profit of €225 million (2012: €228 million) as a result of the portion of the cash-flow hedges classified as ineffective hedges.

### **Net Investment Hedges**

Rabobank uses forward foreign-exchange contracts to hedge a portion of the currency of the translation risk of net investments in foreign entities. The net fair value of these forward foreign-exchange contracts as at December 31, 2013, was €29 million (2012: €40 million).

At December 31, 2013, futures contracts with a nominal amount of €2,386 million (2012: €2,654 million) were designated as net investment hedges. These resulted in exchange gains and losses of €279 million (2012: €51 million), which are deferred in equity. No withdrawals were made from equity during the year (2012: €107 million). For the year ended December 31, 2013, Rabobank recognized no ineffectiveness as a result of the net investment hedges.

The table below shows the notional amounts and the positive and negative fair values of Rabobank Group's derivative financial instruments held as hedges as of December 31, 2013. For further information, please see Rabobank Group's Consolidated Financial Statements 2013.

Figure V-2 Rabobank Group's Derivative Financial Instruments Held as Hedges

<b>Derivative Financial Instruments Held as Hedges</b> <i>Euros in millions</i>	<b>Notional Amounts</b>	<b>Fair Values</b>	
		<b>Assets</b>	<b>Liabilities</b>
<b>Derivative financial instruments designated as fair value hedges</b>			
Currency swaps and cross-currency interest rate swaps .....	€ 47,264	€ 2,019	€ 72
Interest rate swaps .....	63,733	1,071	11,498
<i>Total fair value hedges</i>	€ 110,997	€ 3,090	€ 11,570
<b>Derivative financial instruments designated as cash flow hedges</b>			
Currency swaps and cross-currency interest rate swaps .....	€ 20,045	€ 466	€ 2,871
Interest rate swaps .....	-	-	-
<i>Total cash flow hedges</i>	€ 20,045	€ 466	€ 2,871
<b>Total derivative financial assets/liabilities held as hedges</b>	€ <b>131,042</b>	€ <b>3,556</b>	€ <b>14,441</b>

## VI. Membership in Material Payment, Clearing and Settlement Systems

Rabobank Group, through Rabobank Nederland, participates in a number of financial market utilities (“FMUs”). This section addresses those FMUs that are material to the operations of Rabobank Nederland’s only Material Entity, New York Branch.

The only material and direct FMU memberships of New York Branch are its memberships in Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) and Fixed Income Clearing Corporation—the Government Securities Division (“FICC-GSD”). New York Branch uses SWIFT to communicate with other banks with respect to cash payments and other activities and uses FICC-GSD for clearing trades in U.S. government securities.

Although New York Branch makes use of several other FMUs, it does so through agent relationships established through third-party banks.

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## VII. Description of Foreign Operations

Through Rabobank Nederland, its subsidiaries and the Local Rabobanks, Rabobank Group provides services in the following four core business areas: domestic retail banking, wholesale banking and international retail banking, leasing and real estate. As of December 31, 2013, Rabobank Group had total assets of €674.1 billion and 56,870 full-time employees spread over 41 countries. The majority of its assets are outside the United States. Unless otherwise noted, the description below is as of December 31, 2013.

### **Domestic Retail Banking**

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

As of December 31, 2013, Rabobank Group’s domestic retail banking operations had total assets of €376.3 billion, a private sector loan portfolio of €303.1 billion, and amounts due to customers of €215.7 billion. For the year ended December 31, 2013, the operations had after-tax net profit of €781 million. Domestic retail banking had a total of 26,999 full-time equivalent employees at year-end 2013.

The independent Local Rabobanks make up Rabobank Group’s cooperative core business. Clients can become members of their Local Rabobanks. With 722 branches and 2,524 ATMs as of December 31, 2013, the 129 Local Rabobanks comprise one of the leading local banks in the Netherlands with a dense branch network. In the Netherlands, the Local Rabobanks serve approximately 6.7 million retail clients and approximately 800,000 corporate clients of varying sizes, offering a comprehensive package of financial services. Furthermore, the Local Rabobanks traditionally have had close ties with the agricultural sector and, together, they are the largest insurance broker in the Netherlands.

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

Friesland Bank is 100% owned by Rabobank Nederland. Its client base consists of retail, institutional and corporate customers. Since 2013, Friesland Bank customers are served by the Local Rabobanks.

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the Local Rabobanks and is 100% owned by Rabobank Nederland. Rabohypotheekbank also serves as a supplementary financing vehicle for the Local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank’s loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds.

Rabobank Group's asset management business is carried out by Schretlen & Co and the Local Rabobanks. Schretlen & Co, a wholly owned subsidiary of Rabobank Nederland, offers comprehensive asset advisory services to high net worth customers.

### **Wholesale Banking and International Retail Banking**

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agri sector. Rabobank International is a division of Rabobank Nederland and has a presence in 30 countries. The strategy of Rabobank International's wholesale banking division is to strengthen the market leadership position in the Netherlands and to fulfill a leading role in the international food and agri sector. The rural and retail banking division has a strict focus on food and agri; the principle for the rural banks is that at least 95% of the portfolio should consist of food and agri; and for the retail banks, that 40%-50% of the portfolio should consist of food and agri.

As of December 31, 2013, Rabobank Group's wholesale banking and international retail banking operations had total assets of €487.4 billion, a private sector loan portfolio of €92.1 billion, and amounts due to customers of €111.6 billion. For the year ended December 31, 2013, these operations had after-tax net profit of €52 million. Rabobank International had 15,941 full-time equivalent employees at year-end 2013.

Rabobank International's activities are subdivided into the following regions: the Netherlands, Europe outside of the Netherlands, North and South America, Australia and New Zealand and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Global Client Solutions, Acquisition Finance, Renewable Energy & Infrastructure Finance, Direct Banking, and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and units with global operations work closely together.

- Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market.
- Global Client Solutions offers client-tailored products aimed at both the asset and liability side of the balance sheet.
- The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors of wind, solar, bio fuels and biomass.
- The Trade & Commodity Finance provides serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers large number of export finance products.
- Direct Banking services clients with saving products in Australia, Belgium, Germany, Ireland, and New Zealand.

Rabobank Group's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank and the Polish Bank BGZ. In 2013, it was decided to proceed to a further reorganization of the activities of ACCBank. All regional business centers of ACCBank will be closed and the intention is to return the retail banking license of ACCBank. In December 2013, Rabobank

reached agreement on the sale of its 98.5% equity interest in the Polish Bank BGZ to the BNP Paribas Group for an amount of around €1 billion.<sup>4</sup>

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

### **Recent Developments**

Since 2014, Rabobank Nederland and Wholesale, Rural & Retail (formerly Rabobank International) are managed on an integrated basis. Rabobank operates as one bank in the Netherlands and internationally.

### **Leasing**

De Lage Landen International B.V. ("De Lage Landen"), a wholly owned subsidiary of Rabobank Nederland, is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 36 countries. With its innovative finance programs, De Lage Landen stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the Local Rabobanks. Through the international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Laden strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand. As of December 31, 2013, De Lage Landen's lease portfolio totaled €30.2 billion, a slight increase from the year-end 2012 balance of €29.6 billion. For the year ended December 31, 2013, De Lage Landen earned an after-tax net profit of €422 million. At 2013 year-end, De Lage Landen had 5,117 full-time equivalent employees, unchanged from the prior year's level.

### **Real Estate**

Rabo Real Estate Group (*Rabo Vastgoedgroep N.V.*) operates in property and area development, property finance, investment management and community fund management. Rabo Real Estate Group is one of the largest real estate companies in Europe and its mission is to help clients achieve their ambitions of living, working, shopping and leisure. Its activities are carried out by:

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<sup>4</sup> The sale of Polish Bank BGZ to BNP Paribas Group closed on September 15, 2014.



- Bouwfonds Property Development – realizes comprehensive residential areas;
- MAB Development – commercial property developer;
- FGH Bank – specialist in property finance;
- Bouwfonds Investment Management – real estate fund manager;
- Fondsenbeheer Nederland – independent manager of community funds with the aim of increasing the quality of the living environment.

As of December 31, 2013, Rabo Real Estate Group's loan portfolio totaled €19.4 billion, a €200 million increase from the prior year. For the year ended December 31, 2013, Rabo Real Estate Group earned a net result of -€815 million, driven by a bad debt cost of 278 basis points. At 2013 year-end, Rabo Real Estate Group had 1,554 full-time equivalent employees.

### **VIII. Material Supervisory Authorities**

Rabobank Nederland is a bank organized under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on January 1, 2007, and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or the "AFM") and the Dutch Ministry of Finance (*Ministerie van Financiën*). In addition, Rabobank Nederland is supervised by the European Central Bank under the Single Supervisory Mechanism, which is a new system of financial supervision comprising the European Central Bank and the national competent authorities of euro area countries that officially entered into operation in November 2014. Rabobank Nederland and the various Rabobank Group entities are also subject to certain other European Union legislations, which have a significant impact on the regulation of Rabobank Group's banking, asset management and broker-dealer businesses in the European Union, and the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

In the United States, Rabobank's regulators include, among others, the Federal Reserve Bank of New York, the New York State Department of Financial Services ("NYDFS"), the Securities and Exchange Commission, the Office of the Comptroller of the Currency, the FDIC, the Commodities and Futures Trading Commission and the Consumer Financial Protection Bureau.



## IX. Principal Officers

As of November 1, 2014, the following persons, all of whom are resident in the Netherlands, are members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

### Supervisory Board of Rabobank Nederland

Name	Role
W. Dekker (Wout)	Chairman
I.P. Asscher-Vonk (Irene)	Member
C.H. van Dalen (Henk)	Member
L.N. Degle (Leo)	Member
S.L.J. Graafsma (Leo)	Member
E.A.J. van de Merwe (Erik)	Member
R. Teerlink (Ron)	Member
C.P. Veerman (Cees)	Member

### Executive Board of Rabobank Nederland

Name	Role / Responsibility
Wiebe Draijer	Chairman
Bert Bruggink	Chief Financial & Risk Management
Berry Marttin	Rural & Retail International division
Ralf Dekker	Chief Operating Officer
Rien Nagel	Member
Jan van Nieuwenhuizen	Member

## X. Resolution Planning Corporate Governance

The resolution plan of Rabobank Group is prepared, maintained and updated by the resolution authority for banks in the Netherlands (the “Resolution Authority,” which currently is the Dutch Central Bank). The Resolution Authority determines the strategy for Rabobank Group. As of December 2014, Rabobank has provided the Resolution Authority with information and the Resolution Authority is currently in the process of preparing an operational resolution plan.

In the United States, a U.S. resolution planning team is in place and this Resolution Plan has been overseen by senior officers of New York Branch, Rabobank Nederland’s only Material Entity for purposes of this Resolution Plan. Rabobank Nederland also has a Global Recovery and Resolution Planning Framework (the “Global RRP Framework”) in place. The Global RRP Framework incorporates policies and procedures regarding the preparation, update, maintenance and approval for group and individual plans. This Resolution Plan, which includes a resolution strategy for New York Branch, is integrated into the governance structure of New York Branch and the preparation and review of the Resolution Plan has been conducted in line with the Global RRP Framework.

This Resolution Plan was approved by the Executive Board of Rabobank Nederland prior to its submission.

## **XI. Description of Material Management Information Systems**

Rabobank Group utilizes Management Information Systems (“MIS”) to obtain data on the key metrics and information needed to manage the Rabobank Group under a “best practices” approach. The systems aggregate, analyze and present information related to risk management, including credit, liquidity, operational and market risk management, accounting, financial and regulatory reporting and internal management reporting and analysis.

MIS is managed by the Information Technology and Operations Department of Rabobank Group, which is responsible for all systems hardware and software used by the Rabobank Group. Software has been developed internally and purchased from third-party vendors. Many of the third-party systems are supplemented with internally developed software to integrate the system into the infrastructure of the Rabobank Group and/or to enhance the functionality of the software.

MIS is used locally, globally, at the product and business line level, and by senior management. Reports are generated daily, monthly, and at other frequencies. The systems reside on mainframes, servers, and other hardware which is within the scope of Rabobank Group’s Business Continuity Planning activities. Internal users are staff of Rabobank Group’s local and global business units while external users are clients, investors, regulators and other stakeholders.

## **XII. High-Level Description of Resolution Strategy**

The resolution strategy for Rabobank Nederland’s material U.S. operations centers around its only Material Entity, New York Branch. The Resolution Plan takes into account that Material Financial Distress at or failure of Rabobank Nederland may occur under economic conditions consistent with the baseline, adverse and severely adverse scenarios published by the FRB on November 1, 2013, and assumes that, upon a failure of Rabobank Nederland caused by an idiosyncratic event, the Superintendent of the NYDFS takes possession of the business and properties of New York Branch, appoints a receiver for New York Branch and initiates the liquidation of New York Branch. The Superintendent is expected to “ring fence” all of New York Branch’s assets and all other assets of Rabobank Nederland located in New York in accordance with the New York Banking Law and apply these assets to repay the third-party liabilities of New York Branch. The key elements of the resolution of New York Branch are driven by the requirements of the NYDFS receivership procedures for the orderly liquidation of a banking entity determined to be insolvent. The resolution strategy takes into account the potential insolvencies of certain affiliates of Rabobank Nederland, including certain affiliates incorporated in or managed out of the United States, which may take place in the event of Rabobank Nederland’s failure.