

Rating Report

Report Date:
9 July 2009

Previous Report:
12 July 2007



Insight beyond the rating.

Rabobank Nederland

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The Bank

Rabobank Nederland is the central institution of the cooperative Rabobank banking group. The Group has market-leading positions in Dutch retail banking, small and mid-sized enterprises and lending to the Dutch agricultural sector. Rabobank is active globally in selected areas, including lending to food and agricultural businesses.

Recent Actions

8 Sept 2008
Ratings at AAA and R-1 (high) Unchanged by Interim 2008 Group Results

Rating

Debt	Rating	Trend
Long-Term Deposits & Senior Debt	AAA	Stable
Short-Term Debt	R-1 (high)	Stable

Rating Rationale

On 8 July 2009, DBRS confirmed its ratings for Rabobank Nederland, including its Long-Term Deposits & Senior Debt rating of AAA. The ratings for Rabobank Nederland are based on the leading position of Rabobank Group (Rabobank or the Group) in financial services to Dutch retail clients and small to medium-sized enterprises (SMEs), its extensive range of product offerings including unique skills in Food and Agribusiness, as well as its conservative business culture rooted in the Group's cooperative structure.

The ratings reflect the credit strength of the overall Group, as the Group's members, the local Rabobanks, are linked together by a cross-guarantee system where members are joint and severally liable for each other's commitments. Jointly owned by the local Rabobanks, Rabobank Nederland serves as the holding company and central bank for the local Rabobanks and conducts the Group's wholesale banking operations. The Group's business mix has proven valuable, resulting in resilient performance in these difficult times. During the ongoing financial crisis the Group maintained its solid profitability, increased its capitalisation and strengthened its liquidity by growing customer deposits and reducing interbank funding. The Group's position is also supported by its strong capitalisation and liquidity, as well as its low risk profile. Together, these fundamentals underpin DBRS's intrinsic assessment of AA (high). The triple-A ratings also take into account DBRS's view that Rabobank is a systemically important bank that would likely receive some form of external support, if needed. Actions taken by the Dutch State to support other large Dutch banks amidst the current crisis reinforce this perspective.

DBRS sees Rabobank's cooperative ownership structure as a key contributor to the Group's low risk profile, relatively predictable earnings and strong financial fundamentals. This structure ensures that the Group remains focused on meeting the needs of its clients and imparts a disciplined approach to risk taking. Pressure to grow earnings and expand into new areas and product lines, especially during benign credit times, are less pronounced at Rabobank than at other institutions (Continued on page 2).

Rating Strengths and Challenges

Strengths

- (1) Powerful Dutch retail banking franchise with an ability to grow organically
- (2) Well-focused international strategy driven by skills in Food & Agribusiness
- (3) Balanced, low-risk business mix
- (4) Strong financial profile under cooperative organization

Challenges

- (1) Operating in a mature domestic market with well-entrenched competitors
- (2) Managing risk in international operations
- (3) Sustaining organic growth with improved efficiency
- (4) Potential for moderate asset quality deterioration in global economic downturn

Financial Information

	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
(in EUR millions)	IFRS	IFRS	IFRS	IFRS	IFRS
Total Assets (millions)	612,120	570,503	556,455	506,573	483,574
Equity (millions)	29,949	28,596	27,418	24,257	21,127
Net Income (millions)	2,499	2,253	2,034	1,788	1,609
Risk-Weighted Earning Capacity (%)	1.60	1.47	1.37	1.52	1.61
Post-provision Risk-Weighted Earning Capacity (%)	1.13	1.36	1.16	1.24	1.35
Net interest margin (%)	1.65	1.31	1.32	1.39	1.53
Efficiency Ratio (%)	65.32	67.04	68.53	66.67	66.98
Impaired Loans % Gross Loans	1.53	1.12	1.22	1.57	1.48
Tier 1 Capital Ratio (%)	12.70	10.70	10.70	11.60	10.90

Rating Rationale (Continued from page 1)

In generating earnings to build capital and support the local Rabobanks, Rabobank aims at optimizing its profitability profile, rather than maximizing profits. Management can focus on longer-term strategic plans and set conservative financial objectives consistent with its low-risk profile and cooperative status.

Its status also gives the Group greater flexibility in managing customer relationships with a longer term perspective. In DBRS's view, Rabobank is unlikely to pursue an activity that does not fit into the Group's strategic framework, or clearly satisfy the needs of cooperative members. Throughout the current crisis, and more importantly, in the years leading up to it, Rabobank adhered to its strategic principles to be focused on the needs of its cooperative members, to be a leading provider of all financial services in the Dutch market, and to be a leading global food and agriculture bank, an area of specialized expertise that has developed from the Group's origins in the Netherlands.

Reflecting its strategic focus on the core Dutch franchise, Rabobank has remained the market leader in serving retail customers, small to mid-sized businesses and the agricultural sector. The Group has strong market shares across most lending and savings products and a dominant 85% of the Dutch agricultural sector. This positioning is reflected in the Group's earnings, with 55% of revenues and 59% of net profit generated by the Domestic Retail Banking segment in 2008. Residential mortgages, at EUR 190 billion, remain by far the largest loan category and accounted for 47% and 31% of the Group's lending to customers and total assets, respectively, as of the end of 2008.

While the Group has been negatively affected by ongoing market turmoil and the deteriorating economy, its performance in 2008 demonstrates the strength and resilience of its franchise, in DBRS's view. The Group reported net income of EUR 2.75 billion for 2008, a 2% increase from 2007, which DBRS views as a sound performance given the challenging environment, especially relative to other large banks. The local Rabobanks increased their market shares and experienced a strong 16% increase in deposits in 2008. Moreover, the Group was still able to place long-term debt into public markets, including a USD 1.5 billion perpetual Tier 1 issuance in May 2009, the first of its kind in 2009.

DBRS views Rabobank as well capitalised, with a Tier 1 capital ratio of 12.7% as of year end 2008 under Basel II. DBRS notes positively that Rabobank has increased its target regulatory capital ratios to reflect lower risk weightings of its assets under Basel II and takes into account the newly elevated expectations of regulators, investors and other constituents. The Group currently targets a Tier 1 ratio of 12.5%, a ratio that provides an ample cushion above current regulatory minimums. The Group uses an extensive economic capital process to ensure that risk is aligned with returns across its businesses.

Rabobank's liquidity is viewed as strong, anchored by the Group's customer deposit base of EUR 304 billion as of the end of 2008. Deposits amounted to 71% of customer loans at year-end, stable from recent years, as deposit growth kept pace with loan growth. Savings deposits at local member banks grew strongly in 2008, benefiting from the market's perception of Rabobank as a safe haven. In 2008, Rabobank reduced its holdings of securities that were partly wholesale-funded. As a result, the share of deposits of total funding increased to 65% as of 31 December 2008 compared to 59% at the end of 2007.

DBRS expects Dutch banking to remain fiercely competitive, with Rabobank having to defend its position against other well-entrenched players. That, combined with the Group's focus on low-risk business somewhat constrains its margins relative to more aggressive peers, particularly during boom times. In addition, asset quality is expected to deteriorate mildly, as the Dutch real estate market shows signs of weakening, which could negatively affect the Group's residential mortgage portfolio. Positively, the structure of the Dutch mortgage market and a limited land and housing supply have enabled it to be more stable than various other nations' in the current downturn.

In recent years, demonstrated by its sustained performance, Rabobank has continued to display its ability to generate growth from within the core Dutch market, both organically and through add-on acquisitions, for example in asset management, private banking, leasing and insurance. Careful expansion of its international operations is also contributing to franchise growth. The Group's solid performance amid the current financial crisis and its announced goal of balanced lending and deposit growth indicate that Rabobank's strategic choices are consistent with its ratings level.



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Support Assessment (SA)

DBRS views Rabobank Group as a systemically important institution in the Netherlands, due to its leading position in retail deposits, mortgage lending, banking services for small and mid-sized businesses and agricultural sector finance, as well as its role in the Dutch financial markets.

DBRS would expect the Group to receive some form of timely systemic support in the unlikely event such support was needed. This is reflected in an SA-2 Support Assessment. This additional benefit raises what is already a very strong rating on a standalone basis with an intrinsic rating of AA (high) to the highest rating level of AAA.

Rating Strengths and Challenges Details

Strengths

(1) Powerful Dutch retail banking franchise with an ability to grow organically

Rabobank's resilient business profile is based on its position as the leading player in Dutch retail banking and in lending to SMEs and the agricultural sector. As of December 2008, Rabobank reported market shares of 43% in Dutch savings, 39% in the SME segment and 30% in residential mortgages. Through its *Allfinanz* strategy, Rabobank aims to be the leading provider of financial services in the Netherlands across customer and product types. The Group has demonstrated success in implementing this strategy and growing both organically and through acquisition

Consistent with its strategy to be the leading financial services provider in the Netherlands, Rabobank has made numerous franchise-enhancing acquisitions, especially over the last ten to fifteen years that have broadened its product range and extended its customer reach. Looking ahead, DBRS sees opportunities for the Group to take market share by capitalizing on its strong financial profile, which has been augmented by its ability to weather the crisis. Targeted areas for growth include large Dutch corporates and (ultra) high net worth clients. Continued collaboration with Eureko should also boost insurance-related revenues.

(2) Well-focused international strategy driven by skills in Food & Agribusiness

Rabobank's international focus has been on leveraging its expertise in Food & Agribusiness to extend its business reach primarily to countries and regions that are key foodstuff producers. Its international expansion also reflects the needs of its own customers in the Netherlands to support their international activities. Through add-on acquisitions, the Group has established solid franchises in Ireland, Australia, New Zealand, Poland and the United States where it focuses on California. DBRS views this focus positively, as it capitalizes on the Group's unique skills in Food & Agribusiness, which are well-rooted in Rabobank's history as cooperatives serving farmers in rural Dutch communities. Besides offering loans and other financing, the Group also provides a range of banking services; in some countries, the Group is providing full retail banking services by having acquired banks with presences in more rural regions. Complementing the Group's leading domestic franchise, this targeted expansion adds generally stable earnings and positive long-term prospects.

(3) Balanced, low-risk business mix

DBRS views positively that Rabobank is committed to maintaining its balanced, low-risk business mix. The Group aims to remain primarily a Dutch bank. In 2008, 59% of the Group's profits were from the Domestic Retail Banking segment. Rabobank's strategy to focus on the agricultural sector, retail clients and SMEs results in a highly granular, relatively low-risk credit portfolio and relatively stable income. Potentially more volatile wholesale banking activities constitute only a moderate portion of the Group's franchise. In 2008, the Wholesale Banking and International Retail Banking segment accounted for 17% of Group revenues. Indicative of the Group's conservative risk management, Rabobank had limited exposure to the assets and counterparties that became distressed in the credit crisis. Nevertheless, in the wake of a tumultuous 2008, the Group has decided to refocus its Global Financial Markets business on client oriented activities and liquidity management. In addition, Rabobank has significantly reduced its holdings of wholesale-funded securities in recent periods, thereby lowering its market risk exposure and funding risk.

In the current financial crisis, Rabobank has, for the most part, avoided the pitfalls that many banks fell into. The Group is committed to meeting the needs of members in its cooperative organization, which constrains its appetite for taking on risk.



Consistent with some of its European mutual peers, Rabobank aims at optimizing its profitability profile, rather than maximizing profits. The Group seeks to minimize earnings volatility, and gives priority to maintaining its powerful retail franchise. Its cooperative status also gives the Group greater flexibility in managing customer relationships for the long-term and supports a more loyal customer base. These goals are reflected in conservative financial objectives (10% year-on-year growth of net profit, minimum 10% ROE), which do not lead the group to assume undue risk in its strategy and operations. Consistent with this strategy, the Group is committed to maintaining its AAA credit ratings. This strategy and its successful execution results in a highly sustainable earnings profile in DBRS's view.

(4) Strong financial profile under cooperative organization

DBRS views Rabobank's strong capitalisation and its sound liquidity profile as important rating strengths. With a Basel II Tier 1 ratio of 12.7% at the end of 2008, Rabobank has a very substantial cushion above regulatory requirements to be well capitalized. Rabobank's economic capital allocation process is effective in ensuring that businesses and activities generate returns commensurate with their risk profiles. The Group's liquidity is anchored by the Dutch retail deposit franchise of the local Rabobanks, which have seen significant deposit inflows in 2008. In the current environment, the Group has appropriately sought to fund lending growth with customer deposits. With Rabobank's ability to leverage its franchise to grow deposits, it has been able to reduce its interbank funding and succeed in decreasing the Group's reliance on wholesale funding. Unlike many peers, however, Rabobank has retained access to unsecured funding markets, without relying on a Government guarantee. Capital is also of high quality and DBRS notes that Rabobank's mutual status does not handicap its financial flexibility. Consistent solid earnings has enabled Rabobank to build up retained earnings and other reserves that now comprise 67% of equity; member certificates, which in DBRS's view offer loss absorption similar to common equity, make up another 21%.

The Group's cooperative structure and governance founded on consensus are key underpinnings of Rabobank's strong financial profile and remains central to the Group's identity. Importantly, the cooperative organization continues to thrive with individual membership now 1.7 million, even as the number of local Rabobanks has declined as the drive for efficiency has resulted in consolidation. In part, this growth reflects the Group's success. In striving to maintain the cohesion of the Group and supply the best possible financial solutions for members, the Group has assembled a business mix that is well-suited to meet the needs of the local Rabobanks and the broad membership of individuals and businesses. With this goal, DBRS sees Rabobank as less pressured than publicly-traded peers to grow earnings in the short-term by expanding into non-core businesses or product lines that may offer attractive near-term returns. Instead, management can have patience in executing business development plans that bear fruit in the long-term, while meeting conservative financial objectives consistent with the Group's low-risk profile and status. The structure also imparts a level of discipline on the Group, as member banks are joint and severally liable for each other's commitments.

Challenges

(1) Operating in a mature domestic market with well-entrenched competitors

From DBRS's perspective, an ongoing challenge for Rabobank is defending its powerful franchise in the Netherlands against well-entrenched domestic competitors, as well as numerous smaller players seeking to gain ground in this attractive market. While the current financial crisis has negatively impacted some major competitors and helped Rabobank gain incremental market share, Dutch banking remains highly competitive. Generating profitable growth in this environment is difficult, but necessary for Rabobank in order to balance international growth and maintain the Group's overall business profile. DBRS recognises that Rabobank's *Allfinanz* strategy of offering a broad range of financial products has enabled it to grow in its core markets in recent years, without adding undue risk.

(2) Managing risk in international operations

Operating globally across a diverse set of countries with varying economic, social and political climates presents a challenge for any organization, including Rabobank. For the most part, the Group's focus internationally on Food & Agribusiness and on rural banking has allowed it to weather the financial crisis over the past two years. Having systems in place locally, consistently monitoring exposures (especially to non-OECD countries) and instilling the risk philosophies of the Group through effective communication is important in managing these risks across the globe. At the Group level, country risk and the potential need for additional capital is reported and assessed each quarter by the Balance Sheet and Risk Management Committee and the Country Limit Committee.

(3) Sustaining organic growth with improved efficiency

Competitive pressures keep margins in the Group's core Dutch retail and SME businesses at moderate levels, with a return on total assets of 0.42% in 2008. In addition, the cost of the Group's extensive branch network and a focus on rural markets makes a further reduction in the efficiency ratio from a respectable 65.3% in 2008 more challenging. To improve efficiency, Rabobank is focused taking advantage of synergies between Group subsidiaries, both to support organic growth and to improve efficiency. Further collaboration with Eureko on insurance products also is expected to be a source of growth. DBRS recognises that Rabobank's margins show better performance on a risk-adjusted basis, taking into account its low-risk business profile. The Group has been able to protect or even raise margins in 2008, demonstrating the resilience of its franchise amid challenging conditions.

(4) Potential for moderate asset quality deterioration in global economic downturn

DBRS expects some moderate deterioration in Rabobank's strong asset quality, driven by the global economic downturn that is affecting the Netherlands, like many other countries. Rabobank faces the challenge of limiting the impact that the downturn has on its credit quality. Given signs that the historically very stable Dutch housing market is weakening, DBRS would expect moderately higher loan losses in Rabobank's domestic residential mortgages, which constituted 47% of total lending as of year end 2008, as well as in commercial real estate which accounted for about 7% of lending. Any deterioration and associated increase in provisioning should be moderated by Rabobank's conservative lending standards and by structural factors such as limited land availability and high population density in the Netherlands that are likely to constrain any deterioration in house prices.

Rating Drivers

Factors with Positive Rating Implications

The AAA rating level and Stable trend are likely to be maintained if Rabobank continues to generate resilient earnings, while maintaining its conservative strategy, low-risk profile and strong financial fundamentals.

Factors with Negative Rating Implications

A strategic shift that significantly elevates the risk profile or a loss of cohesion within the Group could put pressure on ratings, if accompanied by a weakening financial profile, rising credit costs and a sustained deterioration in earnings.

Franchise Strength – Description of Operations

DBRS views the strength and resilience of Rabobank's franchise as a key factor underpinning its ratings. Rabobank Nederland (an abbreviation from Coöperatieve Centrale Raiffeissen-Boerenleenbank B.A.) is the central entity of the cooperative Rabobank banking group. Rabobank Nederland resulted from the merger in 1972 of two cooperative institutions both created in 1898, Coöperatieve Centrale Raiffeissen based in Utrecht and Coöperatieve Centrale Boerenleenbank based in Eindhoven.

With assets of EUR 612 billion and equity of EUR 33.5 billion as of December 2008, Rabobank ranks among the leading European banks. The Group is organised as a cooperative. It primarily comprises 153 local Rabobanks and the central institution, Rabobank Nederland, with its subsidiaries and affiliates. The local Rabobanks own the capital of Rabobank Nederland and are themselves owned by their 1.7 million members who, though not entitled to the reserves of their local Rabobanks, are enabled to hold membership certificates in their local banks. The local Rabobanks are deeply rooted in their local communities, reflecting the Group's historic roots as a farming cooperative lender.

The Rabobank Group benefits from market-leading positions in retail savings, residential mortgages and banking services to small to mid-sized enterprises (SMEs) in the Netherlands. Internationally, Rabobank focuses on serving the global food and agricultural industry. The Group also has retail banking franchises in a number of countries, with a focus on rural areas with a strong agricultural sector. Moreover, Rabobank is active globally in select capital markets businesses within a defined range of industries.

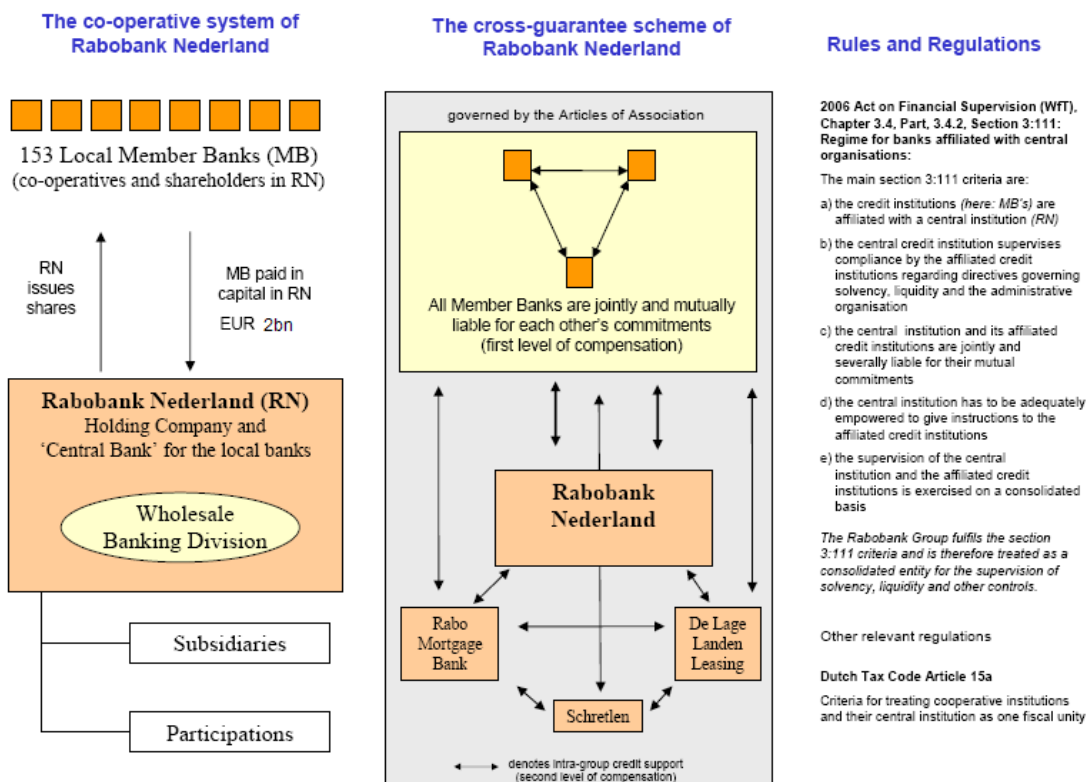
Cross Guarantee

DBRS views the Rabobank Group as one single, consolidated risk unit. This view is underpinned by the legally binding cross-guarantee mechanism that links the Group's different entities together. Under the cross guarantee which is enshrined into Dutch law, if a participating institution has insufficient funds to

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meet its obligations, the other participants must supplement that institution's funds to enable it to fulfill its obligations. Accordingly, the Rabobank Group is treated as a consolidated entity for regulatory supervision purposes. The Group's close integration is also reflected in the supervisory role of the central institution, Rabobank Nederland, for the local Rabobanks. Under the Dutch Financial Supervision Act, under Rabobank Nederland's Articles of Association and under the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks with regard to their operations, solvency and liquidity. DBRS's ratings apply to all members of the Rabobank Group that are part of the cross-guarantee mechanism. These include the local Rabobanks, Rabobank Nederland with its wholesale banking division, Rabobank International, and its main operating subsidiaries, including De Lage Landen (see *Additional Information* section for more detail).



Source: Rabobank

Business Segments

The Group has organised its activities into five operating business segments – Domestic Retail Banking, Wholesale Banking and International Retail Banking, Asset Management and Investment, Leasing and Real Estate. These segments are described below.

Domestic Retail Banking

DBRS views the Domestic Retail Banking segment as a cornerstone of the Group's overall strong franchise. Central to Rabobank's strategy is to be a provider of a full range of financial services in its home market where it enjoys market-leading positions and generates relatively stable earnings. For 2008, Domestic Retail Banking generated net profit of EUR 1.6 billion or 59% of the Group's total. Domestic Retail Banking includes the local Rabobanks, mortgage lender Obvion and Bizner, the Group's Dutch online business bank. Results are driven by the local Rabobanks, which offer a full suite of financial services through their dense network of 1,112 offices.

As of year-end 2008, Rabobank Group reported market-leading shares of 43% in domestic savings, 39% in SME banking and 30% in residential mortgages in the Netherlands. The local Rabobanks serve mostly private retail customers and SMEs, including farmers and agricultural companies. Local Rabobanks offer traditional banking services and also distribute insurance products provided by Dutch insurance group Eureko, in which Rabobank holds a 39.5% interest. Obvion provides mortgages that are distributed through independent brokers and Bizner offers online services to business customers.



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The number of local Rabobanks has declined in recent years to 153 as of December 2008, as the Group strives to capture cost synergies. The Group views the current average size and number of Rabobanks as near-optimal to achieve a balance between cost efficiency and proximity to customers and members, which DBRS views as a key strength of the retail network.

Wholesale Banking and International Retail Banking

This business segment comprises the Group's wholesale banking activities and its international retail operations. Wholesale banking includes financial services to large Dutch corporates provided by Rabobank Nederland, as well as international capital-markets oriented businesses such as Global Financial Markets, Structured Finance, Leveraged Finance, and Trade and Commodity Finance. The wholesale and capital markets activities were negatively affected in 2008 by the global financial crisis. Overall, the Wholesale Banking and International Retail Banking segment generated net profit of EUR 27 million in 2008 or 1% of the Group total. Results were weighed down by negative revenue of EUR 145 million in the Global Financial Markets business. This business sustained write-downs on securities investments, resulting in the negative result. In this context, DBRS views positively that Rabobank has reorganised its capital markets activities to focus more on client-oriented business and liquidity management. Following the tumultuous 2008, Rabobank has refocused its growth efforts on Food & Agribusiness, an area where the Group has significant expertise.

The wholesale and international segment also includes the Group's non-domestic retail and direct banking activities. Rabobank has fully-owned banking subsidiaries in the United States, Australia and New Zealand, Ireland, and smaller operations in a number of other countries. The Group also increased its stake in Polish Bank BGZ to a 59% majority position during H1 2008. Rabobank focuses on countries and regions with a strong agricultural sector, where it can employ its expertise. In these countries, its retail banking subsidiaries tend to be located in more agricultural regions where Rabobank can leverage its skills in serving customers in these markets. In part due to the consolidation of Bank BGZ results, non-domestic retail banking grew revenues by 34% from 2007 to EUR 864 million in 2008, representing 43% of the segment's total revenue.

Asset Management and Investment

Rabobank's asset management and private banking activities are carried out by fully-owned asset manager Robeco, Dutch private bank Schretlen & Co. as well as by the Swiss private banking specialist Bank Sarasin, of which Rabobank owns 46% (but 69% of voting rights). The Asset Management and Investment segment demonstrated some resilience amid the global financial crisis, generating net profit of EUR 438 million in 2008 or 16% of the Group total, which included a disposal gain on the sale of online broker Alex.

Robeco is a leading fund manager in the Netherlands and internationally. It accounts for most of the segment-wide assets under management and custody of EUR 184 billion as of 31 December 2008. Assets under management and custody were down 21% from year-end 2007, as net inflows of EUR 13 billion could not offset market-related value declines of EUR 59 billion and a EUR 7 billion negative impact from the divestiture of Alex and the sale of the U.S. fixed-income business of Robeco Investment Management in H1 2008.

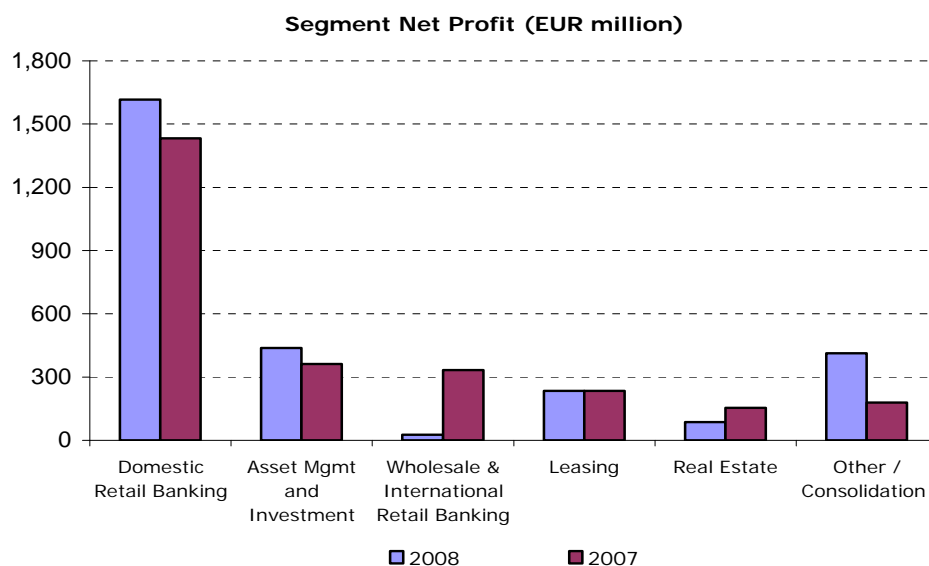
Leasing

The leasing segment reflects results of De Lage Landen, the Group's fully-owned leasing subsidiary. De Lage Landen offers a broad range of asset-based financing products, including equipment leasing and other products geared toward Rabobank's core agricultural and SME business customer base. De Lage Landen also provides car leases in Europe and has expanded its operations into 30 countries world-wide. The Leasing segment contributed net profit of EUR 235 million or 9% of the total in 2008.

Real Estate

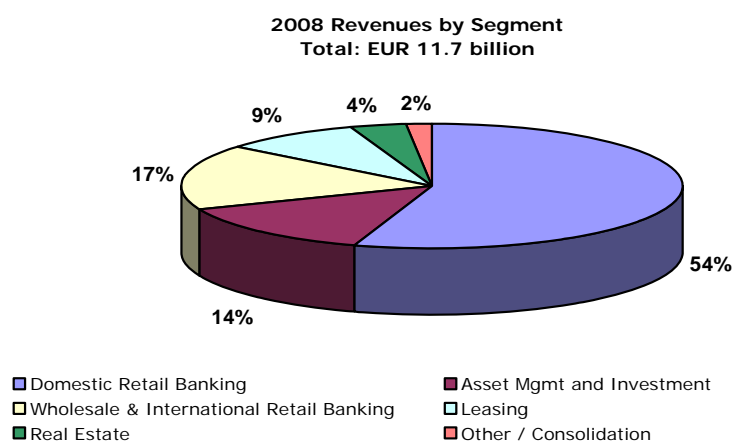
Under its Real Estate segment, Rabobank reports results from Rabo Bouwfonds. It comprises the Bouwfonds business acquired in 2006 from ABN AMRO as well as Rabobank's existing commercial real estate (CRE) activities, including subsidiaries FGH Bank, Nederlandse Hypotheekbank and Rijnlandse Hypotheekbank. Rabobank is active in CRE lending as well as in real estate development. The segment contributed EUR 86 million in net profit or 3% of the total in 2008. Lending volumes were up across the segment. However, income and profit in 2008 were down noticeably from the prior-year period due to reduced real estate sales (home sales fell 34% to 8,746) and a slower pace of new development projects, as the Dutch real estate market slowed in 2008.

Earnings Power



Source: Company Reports

The resiliency of the Group's earnings attest to its very strong earnings power, that is its capacity to generate earnings, which DBRS views as an important factor in determining ratings. Despite very challenging conditions, Rabobank achieved an increase of 2% in its earnings in 2008 with net income of EUR 2.8 billion. Further indication of the Group's earnings power was its ability to grow revenue by 6% to EUR 11.7 billion, while controlling expenses. As a result, IBPT of EUR 4.0 billion was up 20% over 2007, providing earnings to absorb the cost of the credit crisis in 2008. Further demonstrating the resilience of the Group's franchise, all business segments remained profitable in 2008. While the Domestic Retail Bank showed its strength, the Wholesale & International Retail Banking segment was barely profitable reflecting the burden of the credit crisis. DBRS views Rabobank's performance as strong relative to other financial institutions and against the backdrop of persistent dislocation in financial markets and the global economic slowdown.



Source: Company Reports

Rabobank benefited from its strong franchise in 2008 through modestly increasing net interest margins. The Group was able to offset rising wholesale funding costs due to the credit crisis by increasing lending margins and by shifting its funding mix towards deposits. Deposits grew 10% in the year and Rabobank's net interest margin (DBRS-calculated) rose from 1.31% in 2007 to 1.65% in 2008. Rabobank's income and profitability were held up in 2008 by solid performance in domestic retail banking franchise, asset



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management and private banking, international retail banking and leasing. Results from these businesses more than offset lower earnings contributed by wholesale banking and CRE finance.

Rabobank was not immune to the financial crisis as earnings in 2008 were impacted by write-downs on subprime-related investments and other securities. Value adjustments, which include credit provisions, rose to EUR 1.2 billion in 2008 from just EUR 266 million in the prior year. Moreover, Rabobank absorbed trading losses, impairments on structured credit holdings and EUR 1 billion (pre-tax) of valuation adjustments relating to monoline exposure, which are reflected in the low profit contribution of the wholesale division. The Group also reported lower results from commercial real estate, and a loss from its stake in Dutch insurer Eureko. These negative effects were partly offset by an increase in gains on sale from the sale of online broker Alex.

DBRS views Rabobank's profitability as solid, taking into account the Group's low-risk profile and its strong equity base. In 2008, the Group reported a return on equity of 9.7%, marginally below its targeted 10%, a relatively good performance considering the environment. Returns on equity and assets at Rabobank are somewhat lower when compared to peak results at more wholesale-oriented institutions; however, Rabobank's profitability has proven to be stable under increasingly challenging conditions and compares very favourably to other highly-rated financial institutions in the current environment. Going forward, DBRS expects Rabobank to sustain moderately higher credit costs, potentially further value adjustments on securities holdings and reduced income from capital markets activities. Helping to offset these revenue pressures, DBRS expects the group to continue to control costs. Total operating expenses declined 1% in 2008 largely due to lower staff costs and the Group's efficiency ratio as calculated by DBRS declined from 67.0% in 2007 to 65.3% in 2008.

Risk Profile

Solid asset quality and a sound asset mix continue to underpin Rabobank's low-risk profile. Most asset quality measures have remained favourably low and stable, reflecting the Group's business profile and general risk aversion. That said, Rabobank is exposed to deterioration in the Dutch economy, which has been affected by the global economic downturn and stands to suffer further in an extended period of muted global trade. The economy has contracted for four straight quarters including a 2.8% (unannualized) decline in GDP in the first quarter of 2009.

The contracting domestic economy entailed higher loss provisions in Domestic Retail Banking whose loans make up 65% of Rabobank's total private-sector lending. Still, net credit losses remained below Rabobank's long-term average losses of 11 bps per annum. This measure was just 8 bps for 2008, but some deterioration is expected as this economic cycle evolves. Exposure to Irish real estate primarily through ACCBank, a wholly owned subsidiary, drove impairments in the Wholesale & International Retail Banking Segment. That segment reported a value adjustment of EUR 786 million in 2008 which corresponds to 0.93% of average loans, well above the Wholesale & International Retail Banking Segment's long-term average of 0.47%.

Nevertheless, DBRS sees the credit risk in Rabobank's EUR 409 billion private-sector loan portfolio as relatively modest reflecting the concentration in Dutch residential mortgages (45% of the portfolio as of Q4 2008). These mortgages have been stable and resilient in past cycles, as demonstrated by Rabobank's long-term annual loss rate of 3 bps on average on Dutch mortgages. In 2008, the loss rate on Dutch mortgages was 1.5 bps. The Netherlands did not experience the same level of rapid home price appreciation as did many Western economies since 2000 and, in DBRS's view, house prices in the Netherlands are supported by various structural factors, notably the tight supply of buildable land and high population density. The mortgage portfolio has sound characteristics with limited variable rate mortgages and 71% fixed over three years or more. While about 20% have loan-to-value ratios above 90%, some of these mortgages are government guaranteed; moreover overall loan-to-value metrics provide substantial security as it averages 57% for the whole Dutch mortgage portfolio.

Overall, loans to individuals (almost entirely low-risk residential mortgages) comprise 47% of the total portfolio. DBRS notes that the portfolio mix has shifted somewhat in recent years, with year end 2008 being the first time since 2002 that individual lending comprised less than 50% of total private sector lending.

Agriculture (17% of the portfolio) has also historically been a low-risk asset class for the group and the agricultural sector, in which Rabobank has deep experience, continues to be less affected by the global economic slowdown than other sectors. Lending to businesses was 36% of the Group's private sector loan portfolio as of 31 December 2008. The portfolio remains well-diversified and with reasonable single-name exposures. Net risk exposure to non-OECD countries is only 1.2% of the bank's total assets, while 73% of loans are to customers domiciled in the Netherlands. The Group has targeted corporate lending as a key growth area for the Group, because it not only fits Rabobank's strategy to be the leader in its home market, but also offers meaningful growth opportunities for collaboration and cross-selling with other Group businesses, like the private bank. Corporate lending grew 13% in 2008.

Total impaired loans rose to EUR 6.6 billion or 1.6% of total private sector lending at year-end 2008, up from EUR 3.5 billion at year-end 2007. Of the EUR 6.6 billion of impaired loans, EUR 3.2 billion were in the Wholesale & International Retail Banking Segment, while EUR 2.8 billion were in Domestic Retail Banking. Impaired loans in Wholesale & International Retail Banking grew 167% in 2008 and in Domestic Retail Banking impaired loans were up 46%. DBRS expects that rising impaired loans indicate the potential for continued elevated loan losses. Value adjustments rose to EUR 1,189 million or 0.31% of average lending, which is above the Group's long-term average of 0.21%. The increase was mainly driven by higher value adjustments on loans in wholesale banking and international operations.

In DBRS's view, Rabobank has ample reserves to manage even a sharp deterioration in credit quality. The allowance for bad debts was EUR 3.3 billion at year-end. While 50% coverage of impaired loans appears weak, DBRS notes that corporate loans are deemed impaired earlier and are kept on the books longer relative to many other jurisdictions. As a result of this accounting treatment, reported gross impaired loans appear higher than they would elsewhere. In addition, when evaluating Rabobank's impaired loans, DBRS notes that Rabobank classifies full exposures as impaired even when the Group's exposure is fully collateralized.

In addition to leading to higher impaired loan balances, financial turbulence in 2008 impacted performance of Rabobank's securities holdings. Rabobank's holdings of financial assets (trading assets, financial assets at fair value, available for sale and held to maturity) declined from EUR 99 billion as of the end of 2007 to EUR 52 billion as of 31 December 2008. The Group also reclassified EUR 12.1 billion of financial assets to loans effective 1 July 2008. DBRS views positively that Rabobank has significantly reduced wholesale-funded securities holdings in recent periods, thereby lowering its market risk exposure and funding risk. DBRS sees the Group's increased focus on client-oriented activities in its Global Financial Markets group as an appropriate reaction to persistent market dislocation. The ongoing financial crisis has raised the risk inherent in own-account investments, even in highly-rated securities.

For the most part, Rabobank's portfolio consists of highly-rated instruments that have shown relatively resilient performance in the ongoing financial crisis. Rabobank's EUR 9 billion structured credit portfolio, 90% of which was rated AAA at year end, absorbed EUR 570 million in after-tax marks in 2008 due to declining US home prices and the resultant impact on the value of the Group's RMBS and CDO holdings. Given the global economic downturn and disrupted markets, DBRS sees a risk of further valuation declines on Rabobank's structured credit and other securities positions. However, further valuation declines should remain manageable relative to the Group's resilient earnings power and strong capital resources.

Rabobank also had EUR 2.7 billion of exposure to monolines before value adjustments at the end of 2008. The Group recognized pre-tax valuation adjustments of EUR 1 billion in 2008, bringing net exposure to monolines to EUR 1.7 billion. Rabobank also holds a diversified leveraged finance portfolio of EUR 3.4 billion as of 31 December 2008, representing only a minor portion of its overall activities. Concentration risk in the loan portfolio is low.

Financial market turmoil also impacted Rabobank via its 39.5% stake in Eureko. Impairments and realized losses on equity and fixed income investments drove the insurer's EUR 2.1 billion loss in 2008. In addition to absorbing a loss on its stake in Eureko, Rabobank, in early 2009, contributed EUR 400 million to bolster Eureko's capital.

Liquidity & Funding

Rabobank's strong liquidity profile and its conservative liquidity management are key factors underpinning the ratings. Liquidity is anchored by the Group's strong domestic deposit franchise. Rabobank maintains a high market share of domestic retail deposits, including a 43% share of the savings market. The local Rabobanks benefited from safe-haven flows in the ongoing financial crisis. In 2008, deposits in the Domestic Retail Banking segment grew 16% to EUR 176 billion.

Historically, the highly competitive local environment has limited the attractiveness of retail deposit funding at the margin, leading the Group to increase its use of market funding, to fund asset growth. However, following the onset of the credit crisis and the resultant seizing up of credit markets, Rabobank refined its strategy in connection with the challenging market and economic conditions. The Group views it as more important than before to fund lending growth with customer deposits. Against this background, DBRS sees Rabobank's increased focus on customer deposits positively, given the heightened liquidity risks due to persistent market dislocation. Recent trends in Rabobank's funding structure reflect this more conservative approach. The Group reduced its obligations to credit institutions (interbank deposits) to EUR 24 billion at the end of 2008, a 48% reduction from 2007. At the same time, it increased total customer deposits by 10% to EUR 304 billion. As a result, customer deposits increased significantly to 65% of total funding at year end, up from 59% at the end of 2007.

DBRS notes that the Group's overall reliance on wholesale funding has also declined. At the end of 2008, wholesale funding represented 35% of total funding, compared to 41% at the end of 2007. The decline was driven by the sharp reduction in interbank funding. Debt securities continue to play an important role, accounting for 29% of total funding at 31 December 2008, relatively stable from prior periods. Rabobank has a diversified mix of funding sources by type, maturity, currency and market. To enhance its market access, it maintains a liquid euro benchmark curve. The Group has also retained uninterrupted access to market funding (without reliance on Government guarantees), differentiating itself from peers that have had difficulty obtaining unsecured market funding.

Rabobank monitors its liquidity risk by ensuring that the ratio of its core assets relative to core liabilities never falls below a conservative 1.2. The Group also complies easily with liquidity requirements set forth by the Dutch central bank. Liquidity is also monitored on a daily basis, expected cash flows in and out of the bank's worldwide operations in the next 30 days, as well as the level of collateral which is available for market or central bank refinancing. This system allows for precise matching of expected cash flows of the Group's global liquidity. Finally, detailed contingency plans are available should unexpected market liquidity shortages occur, under which Rabobank would use its liquidity cushion in the form of high grade securities that includes EUR 19 billion of government bonds at year-end 2008.

Capital

DBRS views Rabobank as soundly capitalised. At the end of 2008, Rabobank's Tier 1 capital ratio was 12.7%, above the Group's target of 12.5%. DBRS views this as strong capitalization given the bank's low risk business model. DBRS sees maintenance of regulatory capital ratios in excess of such high targets as prudent, given the challenging environment and increased demands from investors and regulators regarding the adequacy of bank capital level. Moreover, the Group continued to generate capital through 2008, increasing its equity by EUR 2.1 billion to EUR 33.5 billion at year-end.

Rabobank's mutual status does not handicap sound financial flexibility, in DBRS's view, as the Group supplements internal capital generation by issuing tranches of membership certificates (EUR 6.2 billion on issue at the end of 2008). Membership certificates were sold to members starting in 2000 and currently account for 20.5% of Tier 1 capital. The certificates pay interest on a floating-rate basis; interest is not payable in the event of a loss at Rabobank, and the notes rank subordinate to trust preferred securities. Payments on Member Certificates of EUR 316 million in 2008 amounted to 15% of Rabobank's net profit. DBRS considers the certificates as high-quality capital with the same loss absorbing capacity as common equity. Hybrid instruments of EUR 3.5 billion accounted for 12% of Tier 1 capital as of 31 December 2008, below regulatory limits and comparing favourably to Rabobank's peers.

Rabobank's capital allocation highlights the Group's conservative capital management and its drive to ensure that businesses generate returns appropriate to their risk profile.



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Rabobank applies an internal economic capital model that aims at measuring the capital required to avoid default with a probability of 99.99%, consistent with maintaining the Group's AAA rating. Economic capital at year end 2008 was EUR 22.3 billion, somewhat higher than the regulatory minimum (EUR 19.0 billion for Tier 1). At 31 December 2008, Rabobank's Tier 1 capital totalled EUR 30.4 billion.

DBRS sees the allocation of economic capital as providing useful insight into the Group's strategy and management's gauging of the institution's risks. Interest-rate risk (in the banking book) and market risk combined contribute 16% to Rabobank's economic capital needs. The first item stems from both of its role as a financial intermediary with a significant deposit base and long-term lending portfolios, which are managed within conservative limits. Unsurprisingly, the largest risk, credit risk (57%), contributes less than at some peers, reflecting the high quality of its assets. DBRS also notes that Rabobank's economic capital model takes account of risks that are covered by Basel II's Pillar II, such as business risk. Operational risk and business risk is the second largest contributor to economic capital needs (17%).

Additional Information

Senior Management

Chairman of the supervisory board:	Lense Koopmans
Chairman of the executive board:	Piet Moerloand
CFO:	Bert Bruggink

Website

<http://www.rabobank.com>

Entities Covered by Cross-Guarantee Mechanism

DBRS's ratings apply to all members of the Rabobank Group that are included in the cross-guarantee mechanism. These include the local Rabobanks and Rabobank Nederland and its main operating subsidiaries. Below are some of the entities covered by the cross guarantee:

Rabohypotheekbank	De Lage Landen Trade Finance B.V.
Raiffeisenhypotheekbank	De Lage Landen Financiering B.V.
De Lage Landen International B.V.	De Lage Landen Financial Services B.V.
Schretlen & Co.	Rabobank International

Some international subsidiaries of Rabobank (e.g., Ireland's ACC, Rabo Australia and Rabo New Zealand), as well the Group's real estate entities (Rabo Vastgoed and FHG Bank) and Robeco are not encompassed in the group's solidarity mechanisms. Therefore, they are not covered by DBRS's ratings.

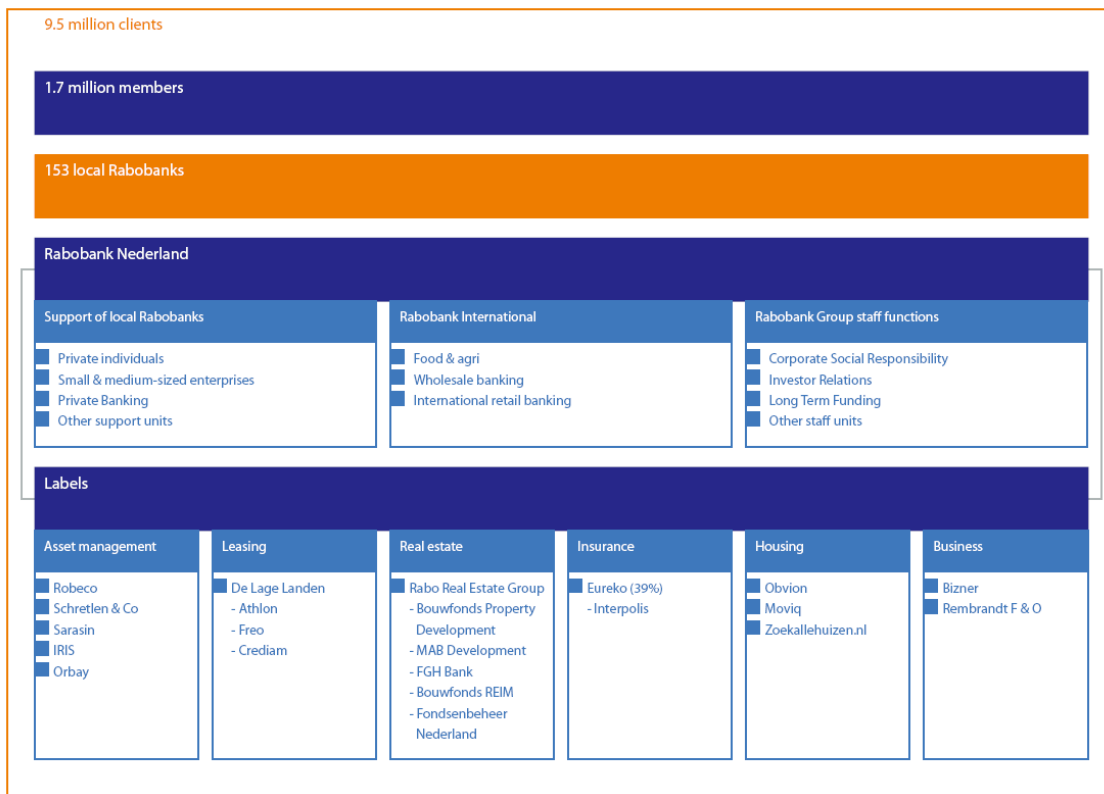
Key historical events

- 1965** The Coöperatieve Centrale Boerenleenbank acquires the securities office Schretlen & Co in Amsterdam.
- 1969** The Agricultural Credit Insurance "Eindhoven", a subsidiary of the central bank in Eindhoven, and insurer Interpolis establish financing company De Lage Landen.
- 1972** Merger of the Centrale Coöperatieve Raiffeisen-Bank and the Coöperatieve Centrale Boerenleenbank.
- 1978** Property developer Rabo Vastgoed is founded.
- 1990** Rabobank and insurer Interpolis decide to merge.
- 1990** Rabobank enters into a strategic alliance with the Robeco Group, the largest asset manager in the Netherlands.
- 1996** Het Centrale Bankbedrijf, a division of Rabobank Nederland, continues its activities under the name Rabobank International and focuses specifically on larger Dutch companies and on the international Food & Agribusiness.
- 1997** Rabobank acquires half of the shares of the Robeco Group, with the right eventually to expand its shareholding to 100%.
- 2001** Robeco becomes a 100% subsidiary of the Rabobank Group.
- 2002** Obvion, a joint venture of the Rabobank Group and ABP (a leading pension fund) is established, with the goal of selling mortgages via intermediaries.
- 2003** Rabobank acquires Internet broker Alex.
- 2003** Rabobank acquires FGH Bank, specialized in commercial real-estate financing.
- 2004** Rabobank signs a cooperation agreement with Eureko/Achmea. Rabobank receives a five percent share in the Eureko group.
- 2005** Announcement of the fusion of Interpolis and Eureko. Rabobank's shares in Eureko increased to 37 percent.
- 2006** February: Rabobank acquires Community Bank of Central California for USD 371 million (merged into Rabobank N.A.).
March: De Lage Landen acquires Athlon Car Lease for EUR 580 million.
July: Rabobank agrees to acquire Bouwfonds' real estate development and asset management activities from ABN AMRO. The real estate financing activities (BPF) will, with the exception of Rijnlandse Bank, not be acquired. The acquisition will require an investment of EUR 845 million.
- 2006** Rabobank exercises its call option on 53% of the capital in Bank Sarasin, a leading Swiss private bank.
- 2007** Midstate, HNS Banco acquisitions finalised in April. Midstate merged into Rabobank N.A.

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Rabobank Group Overview



Source: Rabobank



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Nederland

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Rabobank Group

Utrecht/www.rabobank.com

DBRS Ratings: AAA/R-1 (high)

Balance Sheet (Consolidated in EUR Million)

	12/30/2008		12/31/2007		12/31/2006		12/31/2005	
	IFRS	%	IFRS	%	IFRS	%	IFRS	%
Cash and deposits with central banks	7,105	1%	2,129	0%	1,630	0%	2,923	1%
Lending to/deposits with credit institutions	33,776	6%	43,218	8%	49,086	9%	53,065	10%
Financial securities	51,634	8%	98,526	17%	108,707	20%	107,012	21%
- Trading portfolio	11,576	2%	29,179	5%	36,789	7%	39,011	8%
- At fair value	7,896	1%	18,133	3%	21,468	4%	17,449	3%
- Available for sale	31,665	5%	50,355	9%	48,961	9%	48,644	10%
- Held-to-maturity	497	0%	859	0%	1,489	0%	1,908	0%
- Other	0	0%	0	0%	0	0%	0	0%
Financial derivatives instruments	66,759	11%	26,089	5%	18,992	3%	24,135	5%
- For hedging purposes	701	0%	2,676	0%	1,241	0%	547	0%
- Other	66,058	11%	23,413	4%	17,751	3%	23,588	5%
Gross lending to customers	429,413	70%	375,250	66%	357,173	64%	306,808	61%
- Loan loss provisions	-3,130	-1%	-2,282	0%	-2,249	0%	-2,357	0%
Insurance assets	0	0%	0	0%	0	0%	0	0%
Investments in associates/subsidiaries	4,493	1%	4,558	1%	3,250	1%	2,971	1%
Fixed assets	5,870	1%	6,677	1%	6,360	1%	3,883	1%
Goodwill and other intangible assets	3,728	1%	3,183	1%	1,844	0%	252	0%
Other assets	12,472	2%	13,155	2%	11,662	2%	7,881	2%
Total assets	612,120	100%	570,503	100%	556,455	100%	506,573	100%
Total assets (USD)	862,906		840,180		734,671		599,934	
Loans and deposits from credit institutions	23,891	4%	73,428	13%	94,626	17%	109,749	22%
Deposits from customers	304,214	50%	249,515	44%	234,917	42%	186,427	37%
- Demand	73,062	12%	58,815	10%	62,168	11%	48,240	10%
- Time and savings	231,152	38%	190,700	33%	172,749	31%	138,187	27%
Issued debt securities	135,779	22%	141,812	25%	128,066	23%	115,992	23%
Financial derivatives instruments	77,230	13%	31,097	5%	26,694	5%	31,182	6%
- For hedging purposes	7,997	1%	3,150	1%	1,995	0%	4,310	1%
- Other	69,233	11%	27,947	5%	24,699	4%	26,872	5%
Insurance liabilities	0	0%	0	0%	0	0%	0	0%
Other liabilities	35,388	6%	40,982	7%	40,325	7%	34,229	7%
Subordinated debt	3,856	1%	1,105	0%	1,121	0%	1,162	0%
Hybrid Capital	1,813	0%	3,968	1%	3,288	1%	3,575	1%
Shareholders' Equity	29,949	5%	28,596	5%	27,418	5%	24,257	5%
Total liabilities and equity funds	612,120	100%	570,503	100%	556,455	100%	506,573	100%
Income Statement								
Interest income	27,245		29,356		25,059		19,716	
Interest expenses	-18,728		-22,585		-18,587		-13,455	
Net interest income and credit commissions	8,517	73%	6,771	59%	6,472	64%	6,261	67%
Net fees and commissions	2,466	21%	2,496	22%	1,909	19%	1,794	19%
Trading / FX Income	-1,771	-15%	63	1%	235	2%	-250	-3%
Net realised results on investment securities (AFS)	-51	0%	64	1%	7	0%	38	0%
Net results from other financial instruments at fair value	616	5%	-101	-1%	11	0%	104	1%
Net income from insurance operations	423	4%	361	3%	761	8%	747	8%
Results accounted by the equity method	-26	0%	753	7%	182	2%	98	1%
Other operating income (incl. dividends)	1,478	13%	1,092	9%	472	5%	571	6%
Total operating income	11,652	100%	11,499	100%	10,049	100%	9,363	100%
Staff costs	-4,290	56%	-4,445	58%	-4,117	60%	-3,880	62%
Other operating costs	-2,796	37%	-2,846	37%	-2,429	35%	-2,031	33%
Depreciation/amortisation	-525	7%	-418	5%	-341	5%	-331	5%
Total operating expenses	-7,611	100%	-7,709	100%	-6,887	100%	-6,242	100%
Pre-provision operating income	4,041		3,790		3,162		3,121	
Loan loss provisions	-1,189		-299		-495		-575	
Post-provision operating income	2,852		3,491		2,667		2,546	
Impairment on (in)tangible assets	0		0		0		0	
Net gains/losses on (in)tangible assets	0		0		0		0	
Other non-operating items	0		-443		45		58	
Pre-tax income	2,852		3,048		2,712		2,604	
Taxes	-98		-386		-367		-521	
Net income	2,754		2,662		2,345		2,083	
Minority interest, hybrid capital dividends	-665		-409		-311		-295	
Net income after min. int., hybrid dividends	2,089		2,253		2,034		1,788	
Net income (USD)	2,945		3,318		2,685		2,118	
Off-balance sheet and other items								
Asset under management	184,000		301,300		291,200		224,200	
Derivatives (notional amount)	2,540,166		2,323,804		2,193,641		2,073,428	
BIS Risk-weighted assets (RWA)	238,080		266,573		247,458		213,901	



**Rabobank
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Rabobank Group

Utrecht/www.rabobank.com
DBRS Ratings: AAA/R-1 (high)

12/30/2008 12/31/2007 12/31/2006 12/31/2005
 IFRS IFRS IFRS IFRS

Earnings and Expenses

Earnings

Net interest margin [1]	1.65%	1.31%	1.32%	1.39%
Pre-provision earning capacity (total assets basis) [2]	0.68%	0.67%	0.59%	0.63%
Pre-provision earning capacity (risk-weighted basis) [3]	1.60%	1.47%	1.37%	1.52%
Pre-provision earning capacity by employee	66,718	69,240	62,523	68,473
Post-provision earning capacity (total assets basis)	0.48%	0.62%	0.50%	0.51%
Post-provision earning capacity (risk-weighted basis)	1.13%	1.36%	1.16%	1.24%

Expenses

Efficiency ratio (operating expenses / operating income)	65.32%	67.04%	68.53%	66.67%
All inclusive costs to revenues [4]	65.32%	70.89%	68.09%	66.05%
Operating expenses by employee	125,660	140,837	136,179	136,946
Loan loss provision / pre-provision operating income	29.42%	7.89%	15.65%	18.42%
Provision coverage by net interest income	716.32%	2264.55%	1307.47%	1088.87%

Profitability Returns

Pre-tax return on Tier 1 (excl. hybrids)	7.41%	10.76%	10.39%	10.85%
Return on equity	7.94%	8.70%	8.75%	8.41%
Return on average total assets	0.35%	0.40%	0.38%	0.36%
Return on average risk-weighted assets	0.83%	0.88%	0.88%	0.87%
Dividend payout ratio [5]	n/a	n/a	n/a	n/a
Internal capital generation [6]	n/a	n/a	n/a	n/a

Growth

Loans	14.43%	5.06%	16.42%	11.18%
Deposits	9.98%	6.21%	26.01%	5.04%
Net interest income	25.79%	4.62%	3.37%	1.07%
Fees and commissions	-1.20%	30.75%	6.41%	18.73%
Expenses	-0.68%	11.94%	10.33%	1.05%
Pre-provision earning capacity	20.30%	19.86%	1.31%	2.50%
Loan-loss provisions	346.99%	-39.60%	-13.91%	19.54%
Net income	2.15%	14.97%	12.58%	11.12%

Risks

RWA% total assets	38.89%	46.73%	44.47%	42.23%
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Credit Risks

Impaired loans % gross loans	1.53%	1.12%	1.22%	1.57%
Loss loan provisions % impaired loans	47.62%	54.36%	51.64%	48.96%
Impaired loans (net of LLPs) % pre-provision op inc [7]	85.20%	50.55%	66.60%	78.72%
Impaired loans (net of LLPs) % equity	11.50%	6.70%	7.68%	10.13%

Market Risks

VaR % Tier 1	0.15%	0.11%	0.09%	0.08%
VaR % daily pre provision income	278.40%	203.83%	189.75%	152.19%

Liquidity and Funding

Customer deposits % total funding	65.04%	53.56%	51.21%	45.10%
Total wholesale funding % total funding [8]	34.96%	46.44%	48.79%	54.90%
- Interbank % total funding	5.11%	15.76%	20.63%	26.55%
- Debt securities % total funding	29.03%	30.44%	27.92%	28.06%
- Subordinated debt % total funding	0.82%	0.24%	0.24%	0.28%
Short-term wholesale funding % total wholesale funding	14.61%	66.02%	81.93%	85.81%
Liquid assets % total assets	15.11%	25.22%	28.65%	32.18%
Net wholesale funding reliance [9]	-13.21%	-0.25%	6.03%	9.23%
Adjusted net wholesale funding reliance [10]	-13.21%	n/a	-48.48%	-55.88%
Customer deposits % gross loans	70.84%	66.49%	65.77%	60.76%

Capital [11]

Tier 1	12.70%	10.70%	10.70%	11.60%
Tier 1 excl. Hybrids	12.40%	9.20%	9.34%	9.95%
Total Capital	13.00%	10.90%	11.00%	11.80%
Retained earnings % Tier 1	66.12%	68.99%	66.03%	62.15%



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Rating

Debt	Rating	Trend
Long-Term Deposits & Senior Debt	AAA	Stable
Short-Term Debt	R-1 (high)	Stable

Rating History

	Current	2008	2007	2006	2005
Long-Term Deposits & Senior Debt	AAA	AAA	AAA	AAA	AAA
Short-Term Debt	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)

Note:

All figures are in EUR unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Issuer ratings apply to all general senior unsecured obligations of the issuer in question.

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