

## **Capital Securities**

### **NZD 900 million FRN perpetual NC 10 year non step**

In October 2007 Rabobank Nederland raised NZD 900 million hybrid Tier 1 capital via the issuance of Capital Securities. Capital Securities are subordinated notes issued directly out of Rabobank Nederland and rank pari passu with the Trust Preferred Securities which have been issued between 1999 and 2004. The issue rationale is to hedge the NZD capital requirement. The issue was printed on the tight end of the range.

The NZD 900 million perpetual non call 10 year, non step-up securities carry a coupon of 1yr NZD swaprate + 76 basispoints until call and BBSW + 76b basispoints thereafter. The issue is listed on the New Zealand stock exchange and was targeted at New Zealand retail investors, but found great appetite amongst New Zealand institutional investors too. As a result of the large demand the issue was increased from the initial issue size of NZD 400 million to NZD 900 million.