



Rabobank Investor Information

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2007 was a good year for Rabobank Group

The Rabobank Group can look back on a good year in 2007. While the exact figures have not yet been published, it is clear that the development of the Rabobank Group's net profit for the full year 2007 was in line with the long-term growth target totalling at least 12%. It now appears that the solvency ratio, the so-called tier 1 ratio, will once again exceed the extremely strong targeted minimum level of 10%. Moody's reconfirmed Rabobank's triple A rating in December 2007 with a 'stable outlook'. Bert Heemskerk, Chairman of the Executive Board of Rabobank, announced these results in his New Year's speech.

Provisional annual results for 2007

There was growth in lending and savings in the Netherlands in 2007. This resulted in increased market shares in both the mortgages and savings markets. Despite the pressure on interest margins, the local Rabobanks nonetheless succeeded in posting increasing results thanks to effective cost control measures. Although the effect of the subprime crisis on Rabobank is limited, the results from the wholesale business will be impacted. However, the impact will be lessened and compensated by the strong improvement of the results from our local banks. Acquisitions abroad were finalised in 2007 in California, Chile and Indonesia. The year also saw strong expansion of the worldwide food & agri activities and the financial services provided to sustainable energy producers. For example, Rabobank negotiated the sale of CO2 emission rights for the largest hydropower plant in China: Sinohydro.

Volatility set to continue

Rabobank expects that the subprime volatility will continue to have an effect in 2008. The substantial losses that primarily a number of U.S. financial institutions and to a lesser degree several large European financial institutions will have to write down in the year ahead, will result in limited growth in equity and consequently a lack of solvency. This will in turn place pressure on growth in lending and as a result means that higher margins will have to be charged. This will also be the case outside the United States in light of the fact that these financial institutions operate globally. Despite a slowdown in growth from 3.25% in 2007 to approximately 2.75% in 2008, the overall effect in the Netherlands is expected to remain limited thanks to the strong position of the Dutch economy. House prices in the Netherlands are expected to increase moderately, primarily owing to the low construction volume compared to demand.

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Funding review 2007

Rabobank had a successful year in the capital markets, raising almost EUR 25 billion (equivalent) of long term funding. Commitment to maintaining full curves in Euro, USD, CHF and GBP saw a number of new benchmarks transactions, of which a record EUR 4bn five year note. Rabobank maintained its leading innovative position in the structured note markets and also issued hybrid Tier 1 transactions in NZD and USD. A total of 20 currencies were issued in 2007, including a debut appearance for Russian Ruble and Hungarian Forint. For its overall strategy Rabobank was voted Borrower of the year

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Reporting dates

5 March 2008 - Annual Results 2007

27 August 2008 - Interim Results 2008

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