



Rabobank



General Short Form Disclosure Statement

For the three months ended 31 March 2010

Rabobank New Zealand Limited

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General information and definitions

The information contained in this General Short Form Disclosure Statement is as required by section 81 of the Reserve Bank of New Zealand Act 1989 and the Registered Bank Disclosure Statement (Off Quarter–New Zealand Incorporated Registered Banks) Order 2008 (“Order”).

In this General Short Form Disclosure Statement, reference is made to:

- Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (referred to as “Rabobank Nederland”).
- Rabobank New Zealand Limited (referred to as the “Registered Bank”).
- Rabobank New Zealand Limited and its subsidiary Rabo Securities and Investments (NZ) Limited (referred to jointly as the “Banking Group”).

The financial information is disclosed for the periods ended 31 March 2010 and 31 March 2009 and has been reviewed by the external auditors.

All amounts referred to in this General Short Form Disclosure Statement are in New Zealand dollars unless otherwise stated.

General matters

The address for service of the Registered Bank (Rabobank New Zealand Limited) is Level 12, 80 The Terrace, Wellington, New Zealand.

Ultimate parent bank

The Registered Bank’s ultimate parent bank is Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), domiciled in the Netherlands. Its registered office is:

Croeselaan 18
3521 CB Utrecht
The Netherlands

Rabobank Nederland’s New Zealand address for service is Level 12, 80 The Terrace, Wellington.

Summary of regulations

There are no known regulations, legislation or other restrictions of a legally enforceable nature which may materially inhibit the legal ability of Rabobank Nederland to provide material financial support to the Registered Bank.

Interests in 5% or more of voting securities of registered bank

The Registered Bank is 100% owned by Rabobank International Holding B.V., which in turn is 100% owned by Rabobank Nederland. Therefore, Rabobank Nederland has the ability to indirectly appoint 100% of the board of directors of the Registered Bank.

Composition of the board of directors

There have been changes in the composition of the Registered Bank’s board of directors since the publication date of the previous General Disclosure Statement with the resignation of Rutger Vincent Constantijn Schellens (and his alternate, Johannes Hendricus de Roo) on 12 May 2010.

Signing of the general short form disclosure statement

Benjamin Russell, General Manager New Zealand, has signed this General Short Form Disclosure Statement on behalf of the following directors:

- William Patrick Gurry (Chairman)
- Erich Fraunschiel
- David Welsford Smithers
- John Leonard Palmer
- Theodorus Henry Lambertus Johannes Maria Gieskes

Credit ratings

The Registered Bank has the following general credit rating applicable to its long term senior unsecured obligations, including obligations payable in New Zealand, in New Zealand dollars. There have not been any changes made to the rating in the two years preceding 31 March 2010.

Rating Agency	Current Credit Rating
Standard & Poor's	AAA

Description of credit rating scales

	Standard & Poor's	Moody's	Fitch IBCA
Ability to repay principal and interest is extremely strong. This is the highest investment category.	AAA	Aaa	AAA
Very strong ability to repay principal and interest.	AA	Aa	AA
Strong ability to repay principal and interest although somewhat susceptible to adverse changes in economic, business or financial conditions.	A	A	A
Adequate ability to repay principal and interest. More vulnerable to adverse changes.	BBB	Baa	BBB
Significant uncertainties exist which could affect the payment of principal and interest on a timely basis.	BB	Ba	BB
Greater vulnerability and therefore greater likelihood of default.	B	B	B
Likelihood of default now considered high. Timely repayment of principal and interest is dependent on favorable financial conditions.	CCC	Caa	CCC
Highest risk of default.	CC to C	Ca to C	CC to C
Obligations currently in default.	D	-	D

Moody's Investors Service apply numeric modifiers 1 (higher end), 2 or 3 (lower end) to ratings from Aa to B to show relative standing within major categories. Credit ratings by Fitch Ratings and Standard & Poor's may be modified by the addition of a plus (higher end) or minus (lower end) sign.

Guarantee arrangements

Material obligations of the Registered Bank are guaranteed by Rabobank Nederland. Details of that guarantee are set out in this section.

In addition, obligations of the Registered Bank are guaranteed under the New Zealand deposit guarantee scheme. Details of those obligations are also set out in this section.

Details of guarantor

Rabobank Nederland

The name and New Zealand address for service of the Guarantor is:

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)
 Level 12
 80 The Terrace
 Wellington
 New Zealand

Rabobank Nederland is not a member of the Banking Group.

The guarantor - Rabobank Nederland

As at 31 December	2009 €m	2008 €m
Qualifying Capital*	32,831	30,912
Qualifying Capital*/RWA (%)	14.1%	13.0%

*Qualifying Capital consists of the sum of core capital (tier one) and supplementary capital (tier two). Tier two capital includes the revaluation reserves, part of the subordinated loans less deductible items specified by the De Nederlandsche Bank.

Rabobank Nederland has the following credit ratings with respect to its long term senior unsecured obligations payable in any country or currency including obligations payable in New Zealand in New Zealand dollars. There have not been any changes made to the ratings in the two years preceding 31 March 2010.

Rating Agency	Current Credit Rating
Standard & Poor's	AAA
Moody's	Aaa
Fitch	AA+

Descriptions of credit rating scales are included on page 2.

Details of guaranteed obligations

Rabobank Nederland

18 February 1998 to 17 February 2008

For the period 18 February 1998 to 17 February 2008 ("the First Period"), the obligations of the Registered Bank were guaranteed pursuant to a deed of guarantee dated 18 February 1998 (as amended by an amending deed dated 19 February 1998) by its ultimate parent Rabobank Nederland in favour of Permanent Trustee Company Limited (the "Trustee") as trustee for the creditors of the Registered Bank (the "First Guarantee").

Whilst the First Guarantee expired on 17 February 2008, all obligations incurred by the Registered Bank during the First Period will continue to be covered by the First Guarantee until those obligations are repaid.

18 February 2008 to 17 February 2010

For the period 18 February 2008 to 17 February 2010 (“the Second Period”), the obligations of the Registered Bank were guaranteed pursuant to a deed of guarantee dated 6 February 2008 by its ultimate parent Rabobank Nederland in favour of the creditors of the Registered Bank (the “Second Guarantee”).

Whilst the Second Guarantee expired on 17 February 2010, all obligations incurred by the Registered Bank during the Second Period will continue to be covered by the Second Guarantee until those obligations are repaid.

18 February 2010 to 17 February 2012

For the period 18 February 2010 to 17 February 2012 (“the Current Period”), the obligations of the Registered Bank are guaranteed pursuant to a deed of guarantee dated 1 September 2009 by its ultimate parent Rabobank Nederland in favour of the creditors of the Registered Bank (the “Current Guarantee”).

The Current Guarantee will expire on 17 February 2012 and all obligations incurred by the Registered Bank during the Current Period will be covered by the Current Guarantee until those obligations are repaid.

There are no limits on the amount of the obligations guaranteed under the Current Guarantee. There are no material conditions applicable to the Current Guarantee other than non-performance by the principal obligator.

There are no material legislative or regulatory restrictions in the Netherlands which would have the effect of subordinating the claims under the Current Guarantee of any of the creditors of the Registered Bank on the assets of the guarantor, to other claims on the guarantor, in a winding up of that guarantor.

Details of government guarantors

Her Majesty the Queen in right of New Zealand (the “Crown”) has provided a government guarantee in relation to the Registered Bank. The Crown’s address for service is:

The Treasury
1 The Terrace
Wellington

Further information about the New Zealand deposit guarantee scheme can be obtained from the internet site maintained by the Treasury at www.treasury.govt.nz.

The most recent audited financial statements of the Crown can be obtained from the internet site maintained by the Treasury.

The Crown’s issuer credit ratings in respect of its long term obligations payable are as follows:

Domestic Currency

Rating Agency	Current Credit Rating
Standard & Poor’s	AAA
Moody’s	Aaa
Fitch	AAA

Foreign Currency

Rating Agency	Current Credit Rating
Standard & Poor’s	AA+
Moody’s	Aaa
Fitch	AA+

Descriptions of the credit rating scales are included on page 2.

Details of obligations guaranteed by government guarantors

In general terms, the obligations guaranteed by the Crown are all deposits made with the Registered Bank except deposits by any related party of the Registered Bank and any financial institution.

There are limits on the amount of the obligations guaranteed. The main limit is that the maximum liability of the Crown to a depositor is NZD1,000,000.

There are no material conditions applicable to the guarantee other than non-performance by the Registered Bank. The main conditions are that the Crown is not obliged to make payment unless and until the Crown:

- Receives a notice of claim in a form to be determined by the Crown; and
- Is satisfied as to the amount of the deposit.

The Crown guarantee expires at 12.01 am on 12 October 2010. The Deposit Guarantee may be withdrawn by the Crown in certain circumstances. The Registered Bank does not have an option to roll over or renew the Deposit Guarantee.

Where the Registered Bank fails to comply with:

- (i) certain information requests from the Crown;
- (ii) any prudential supervision direction, notice or requirement under the Reserve Bank Act or otherwise; or
- (iii) the terms of any trust deed for debt securities by the Registered Bank,

and the appropriate notice has been given by the Crown pursuant to the Deposit Guarantee, the Crown may withdraw the Deposit Guarantee.

The Deposit Guarantee does not cover indebtedness which arises following the date of a withdrawal (other than interest accruing on indebtedness existing at the date of withdrawal).

Availability of guarantee contracts

Copies of the Registered Bank's guarantee contracts are included in its most recent Supplemental Disclosure Statement. The Registered Bank's most recent Supplemental Disclosure Statement is available immediately, if the request is made at the Registered Bank's head office, or within five working days if a request is made at any branch or agency of the Registered Bank. Alternatively, it can also be accessed at the Registered Bank's internet address www.rabobank.co.nz.

Material cross guarantee

There are no material cross guarantees.

Insurance business

The Banking Group does not conduct any insurance business.

Risk management policies

There has been no material change in the Banking Group's policies for managing credit risk, currency risk, operational risk, interest rate risk, liquidity risk, and other material business risk. Similarly the Banking Group has not become exposed to a new category of risk for the period ended 31 March 2010.

The Banking Group does not take any equity risk.

Securitisation, funds management, other fiduciary activities and the marketing and distribution of insurance products

The Banking Group has no involvement in the origination of securitised assets, the marketing or servicing of securitisation schemes or the marketing and distribution of insurance products.

Except as set out below, the Banking Group has no involvement in trust, custodial, funds management, or other fiduciary activities established, marketed or sponsored by a member of the Banking Group.

On 14 February 2006 the Registered Bank launched "RaboPlus", an online banking and investment service offering access to third party managed funds. RaboPlus distributes managed fund investments to New Zealand residents. Distribution agreements are in place with selected unrelated fund managers and, on the basis of those agreements and with the exception of the Cash Advantage Fund, RaboPlus is entitled to distribution fees from the fund managers and entry fees from investors.

The Registered Bank and its directors are promoters of a managed fund known as the "Cash Advantage Fund". AMP Capital Investors (New Zealand) Limited and its directors are also promoters of the Cash Advantage Fund and AMP Investment Management (NZ) is the Fund's manager. All amounts invested in the Fund are held in an interest-bearing deposit account with Rabobank Nederland. The Cash Advantage Fund is offered through RaboPlus and other distribution channels and was opened to investments from the public on 27 November 2007.

Arrangements are in place to ensure that difficulties arising from RaboPlus and the Cash Advantage Fund would not impact on the Banking Group. The main arrangements are that no investment advice is provided to clients through RaboPlus. The Registered Bank purchases the managed fund investments and holds them as nominee on behalf of clients and the Registered Bank maintains comprehensive internal controls and obtains external professional advice in relation to the Cash Advantage Fund.

Those managed fund investments amounted to \$376.4m as at 31 March 2010 (\$398.9m as at 31 March 2009).

Other material matters

There have been no matters relating to the business or affairs of the Registered Bank and the Banking Group that:

- (i) are not contained elsewhere in the General Short Form Disclosure Statement; and
- (ii) would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of the Banking Group is the issuer.

Auditor's review report

The General Short Form Disclosure Statement has been reviewed by external auditors Ernst & Young. The statement of the nature and scope of the review is included in the following auditor's report.

Conditions of registration

Rabobank New Zealand Limited conditions of Registration as from 15 October 2008

The conditions of registration of the Registered Bank as a registered bank state:

1. That the banking group complies with the following requirements:
 - (a) the total capital ratio of the banking group is not less than 8 percent;
 - (b) the tier one capital ratio of the banking group is not less than 4 percent;and
 - (c) the capital of the banking group is not less than NZ \$30 million.

For the purposes of this condition of registration, capital, the total capital ratio and the tier one capital ratio must be calculated in accordance with the Reserve Bank of New Zealand document entitled "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2007.

1A. That-

- (a) the bank has an internal capital adequacy assessment process ("ICAAP") that accords with the requirements set out in the document "Guidelines on a Bank's Internal Capital Adequacy Process ("ICAAP")" (BS12) dated December 2007;
 - (b) under its ICAAP, the bank identifies and measures its "other material risks" defined as all material risks of the banking group that are not explicitly captured in the calculation of tier one and total capital ratios under the requirements set out in the document "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2007; and
 - (c) the bank determines an internal capital allocation for each identified and measured "other material risk".
2. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities, where the term material is based on generally accepted accounting practice, as defined in the Financial Reporting Act 1993.
3. That the banking group's insurance business is not greater than 1% of its total consolidated assets. For the purposes of this condition:
 - (i) Insurance business means any business of the nature referred to in section 4 of the Insurance Companies (Ratings and Inspections) Act 1994 (including those to which the Act is disappplied by sections 4(1)(a) and (b) and 9 of that Act), or any business of the nature referred to in section 3(1) of the Life Insurance Act 1908;
 - (ii) In measuring the size of the banking group's insurance business:
 - (a) where insurance business is conducted by any entity whose business predominantly consists of insurance business, the size of that insurance business shall be:
 - the total consolidated assets of the group headed by that entity;
 - or if the entity is a subsidiary of another entity whose business predominantly consists of insurance business, the total consolidated assets of the group headed by the latter entity;
 - (b) otherwise, the size of each insurance business conducted by any entity within the banking group shall equal the total liabilities relating to that insurance business, plus the equity retained by the entity to meet the solvency or financial soundness needs of the insurance business;
 - (c) the amounts measured in relation to parts (a) and (b) shall be summed and compared to the total consolidated assets of the banking group. All amounts in parts (a) and (b) shall relate to on balance sheet items only, and shall be determined in accordance with generally accepted accounting practice, as defined in the Financial Reporting Act 1993;

- (d) where products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets shall be considered part of the insurance business.
4. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, shall be made in respect of the bank unless:
 - (i) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (ii) the Reserve Bank has advised that it has no objection to that appointment.
 5. That a substantial proportion of the bank's business is conducted in and from New Zealand.
 6. That Rabobank Nederland, explicitly, unconditionally and irrevocably guarantees the obligations of Rabobank New Zealand Limited in terms of the guarantee dated 6 February 2008.
 7. That the obligations of any subsidiaries of Rabobank New Zealand Limited that have any creditors other than members of the Rabobank Nederland group must be explicitly, unconditionally and irrevocably guaranteed by Rabobank Nederland or Rabobank New Zealand Limited.
 8. That every quarterly disclosure statement of Rabobank New Zealand Limited will contain a statement listing all subsidiaries of Rabobank New Zealand Limited. That statement will identify which subsidiaries are guaranteed by Rabobank Nederland or Rabobank New Zealand Limited, and which subsidiaries are not guaranteed.
 9. That every quarterly disclosure statement of Rabobank New Zealand Limited will, if there are any guaranteed subsidiaries of Rabobank New Zealand Limited, state that copies of the guarantee are available on request.
 10. That every quarterly disclosure statement of Rabobank New Zealand Limited will state that, because Rabobank New Zealand Limited's obligations are fully, irrevocably, and unconditionally guaranteed by a parent entity with a AAA credit rating from a Reserve Bank approved rating agency, Rabobank New Zealand Limited is not subject to the following conditions of registration that would normally apply to New Zealand incorporated registered banks:
 - The condition of registration limiting exposures to connected persons.
 - The condition of registration requiring that the bank have at least two independent directors on its board.
 - The condition of registration requiring that the chairperson of the bank's board not be an employee of the registered bank.
 - The condition of registration requiring that the bank's constitution does not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).
 11. That the Reserve Bank of New Zealand is to be given at least six months notice (or such shorter period as the Reserve Bank of New Zealand may agree to) if Rabobank Nederland or Rabobank New Zealand Limited intends to withdraw or alter the guarantees referred to in these conditions of registration.
 12. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.

For the purposes of these conditions of registration, the term "banking group" means Rabobank New Zealand Limited financial reporting group (as defined in Section 2(1) of the Financial Reporting Act 1993).

Normal conditions of registration that do not apply

The Registered Bank is not subject to the following conditions of registration that would normally apply to New Zealand incorporated registered banks because its obligations are fully, irrevocably and unconditionally guaranteed by the parent entity with a AAA credit rating from a Reserve Bank approved rating agency:

- The condition of registration limiting exposures to connected persons;
- The condition of registration requiring the bank to have at least two independent directors on its board;
- The condition of registration requiring that the chairperson of the bank's board not be an employee of the registered bank; and
- The condition of registration requiring the bank's constitution not to include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the bank.

Directors' statement

After due enquiry, each director believes that:

- (i) as at the date on which the General Short Form Disclosure Statement is signed:
- The General Short Form Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statement (Off Quarter–New Zealand Incorporated Registered Banks) Order 2008; and
 - The General Short Form Disclosure Statement is not false or misleading; and
- (ii) over the three months accounting period:
- The Registered Bank has complied with the Conditions of Registration;
 - Credit Exposures to Connected Persons (if any) were not contrary to the interests of the Banking Group; and
 - The Registered Bank had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

Signed by Benjamin Russell, General Manager New Zealand, under an authority from each of the directors.



Benjamin Russell
Dated: 18 June 2010

Review Report

To the Directors of Rabobank New Zealand Limited

We have reviewed the General Short Form Disclosure Statement on pages 13 to 26 which consists of the information required by Schedules 2 to 8 of the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 2008, as amended (the "Order"). The General Short Form Disclosure Statement provides information about the past financial performance of Rabobank New Zealand Limited (the "Registered Bank") and its subsidiaries (the "Banking Group") and their financial position as at 31 March 2010. The information included in the General Short Form Disclosure Statement is stated in accordance with the accounting policies set out on pages 7 to 15 of the Appendix 1 of General Disclosure Statement for the year ended 31 December 2009.

This report is made solely to the Registered Bank's directors in accordance with Schedule 2 clause 15 of the Order. Our review has been undertaken so that we might state to the Registered Bank's directors those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Registered Bank and the Registered Bank's directors, for our review work, for this report, or for our findings.

Directors' responsibilities

The directors are responsible for the preparation and presentation of the General Short Form Disclosure Statement in accordance with clause 19 of the Order.

Reviewer's responsibilities

We are responsible for reviewing the General Short Form Disclosure Statement presented by the directors in order to report to you whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would indicate that the General Short Form Disclosure Statement has not been prepared in accordance with Schedules 2 to 8 of the Order.

Basis of statement

Our review is limited primarily to enquiries of the Registered Bank and the Banking Group personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We have reviewed the General Short Form Disclosure Statement of the Registered Bank and the Banking Group for the three months ended 31 March 2010 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. Those standards require that we plan and perform our review to obtain moderate assurance as to whether the financial data is free of material misstatement, whether caused by fraud or error.

Ernst & Young provides taxation compliance services to the Registered Bank and Banking Group.

Statement of findings

Based on our review nothing has come to our attention that causes us to believe that the General Short Form Disclosure Statement has not been prepared in accordance with Schedules 2 to 8 of the Order.

Our review was completed on 14 May 2010 and our findings are expressed as at that date.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Andrew Gilder'.

Andrew Gilder
Sydney
18 June 2010

1 Accounting policies

There have been no changes in accounting policies since the publication of the previous General Disclosure Statement.

2 Comprehensive income statement of the Banking Group

	2010	2009
	NZ\$m	NZ\$m
For the three months ended 31 March		
Interest income	117.1	122.4
Interest expense	(70.8)	(79.9)
Net interest income	46.3	42.5
Non-interest income:		
Other revenue	0.4	1.1
Other operating gain / (loss)	0.2	-
Total non-interest income	0.6	1.1
Total net operating income	46.9	43.6
Operating expenses	(16.5)	(16.1)
Impairment charges on loans and advances	(0.5)	0.1
Profit before income tax	29.9	27.6
Income tax expense	(9.0)	(8.3)
Profit after income tax	20.9	19.3
Other comprehensive income after tax	-	-
Total comprehensive income after tax attributable to members of the Banking Group	20.9	19.3

3 Statement of changes in equity

	Issued Capital	Earnings	Reserves	Total
	NZ\$m	NZ\$m	NZ\$m	NZ\$m
Total equity at 31 December 2009	41.2	225.3	-	266.5
For the period to 31 March 2010				
Net profit after tax	-	20.9	-	20.9
Total equity at 31 March 2010	41.2	246.2	-	287.4

4 Balance sheet of the Banking Group

As at 31 March	2010 NZ\$m	2009 NZ\$m
Asset		
Due from other banks	7.6	4.0
Derivative financial instruments	2.3	8.2
Loans and advances	6,655.1	6,057.6
Due from related entities	378.5	193.1
Other assets	15.7	22.0
Net deferred tax assets	44.8	14.8
Property, plant and equipment	2.6	3.3
Total assets	7,106.6	6,303.0
Liabilities and shareholders' fund		
Issued & paid up capital	41.2	41.2
Balances of reserve accounts		
(a) Revaluation reserves	-	-
(b) Fair value reserves	-	-
(c) Other capital reserves	-	-
(d) Other revenue reserves	-	-
Sub-total	-	-
Balance of retained earnings	246.2	236.1
Minority interest	-	-
Total shareholders' funds	287.4	277.3
Due to other banks	0.1	27.3
Unsecured deposits	1,963.7	2,546.5
Derivative financial instruments	2.2	8.0
Due to related entities	4,818.0	3,418.5
Other liabilities	35.2	25.4
Total liabilities & shareholders' funds	7,106.6	6,303.0
Total interest earning and discount bearing assets	7,038.0	6,281.3
Total interest and discount bearing liabilities	6,498.1	5,834.7
Total assets used to secure any obligations	Nil	Nil
Total assets presented in the balance sheet, but not legally owned	Nil	Nil

Short Form Financial Statements and Asset Quality

5 Asset quality of the Banking Group

	2010	2009
As at 31 March	NZ\$m	NZ\$m
Other individually impaired assets	296.5	160.1
Restructured assets	-	-
Real estate assets acquired through the enforcement of security	-	-
Financial assets acquired through the enforcement of security	-	-
Other assets acquired through the enforcement of security	-	-
90 day past due assets	72.8	50.6
Other assets under administration	-	-
Aggregate amount recognised for non financial assets before deducting allowance	-	-
Aggregate amount of individual credit impairment allowances on non-financial assets	-	-
Aggregate amount of undrawn balances on lending commitments to counterparties	1,388.5	25.8

Interest forgone is the amount of interest income that would have been recorded had interest been accrued. It has been estimated using average rates for a range of facilities.

Interest forgone on non-accrual assets for the period to 31 March 2010 is NZD 9.9 million for the Banking Group (31 March 2009: NZD 2.9 million).

6 Year-to-date movements in impairments allowances

	2010	2009
For the three months ended 31 March	NZ\$m	NZ\$m
Specific provision		
Opening balance as at 31 December	90.7	22.0
Charge / (credit) to income statement	0.5	(0.1)
Bad debts (write-offs)	-	-
Closing balance	91.2	21.9
Collective provision		
Opening balance as at 31 December	17.0	4.7
Charge / (credit) to income statement	-	-
Other movements	-	-
Closing balance	17.0	4.7
Impairment losses / (credits) on loans and advances charged to income statement consists of:		
Specific provision	0.5	-
Collective provision	-	-
Bad debts (write-offs)	-	(0.2)
Total impairment losses / (credits) on loans and advances	0.5	(0.2)

7 Credit risk on loans and advances at fair value

This is not applicable as loans and advances to customers are reported at amortised cost.

8 Asset quality breakdown by major type of credit exposure**Other individually impaired assets**

	Residential Mortgages	Corporate	Retail	Total
	NZ\$m	NZ\$m	NZ\$m	NZ\$m
Opening balance as at 31 December 2009	-	-	298.4	298.4
Additions	-	-	85.1	85.1
Repayments	-	-	(87.0)	(87.0)
Closing balance as at 31 March 2010	-	-	296.5	296.5

Opening balance as at 31 December 2008	-	-	134.8	134.8
Additions	-	-	25.7	25.7
Repayments	-	-	(0.4)	(0.4)
Closing balance as at 31 March 2009	-	-	160.1	160.1

90 day past due

	Residential Mortgages	Corporate	Retail	Total
	NZ\$m	NZ\$m	NZ\$m	NZ\$m
Opening balance as at 31 December 2009	-	-	76.2	76.2
Additions	-	-	5.4	5.4
Repayments	-	-	(8.8)	(8.8)
Closing balance as at 31 March 2010	-	-	72.8	72.8

Opening balance as at 31 December 2008	-	-	19.7	19.7
Additions	-	-	41.8	41.8
Repayments	-	-	(10.9)	(10.9)
Closing balance as at 31 March 2009	-	-	50.6	50.6

Capital adequacy of the Banking Group

1 Capital

	2010	2009
As at 31 March	NZ\$m	NZ\$m
Tier one capital (before deductions)	287.4	277.3
Less : deductions from tier one capital	34.1	5.3
Plus: other adjustments to tier one capital	-	-
Total tier one capital	253.3	272.0
Upper tier two capital	-	-
Less : deductions from upper tier two capital	-	-
Plus: other adjustments to upper tier two capital	-	-
Lower tier two capital	-	-
Total tier two capital	-	-
Total tier one and tier two capital	253.3	272.0
Less : deductions from total capital	-	-
Plus: other adjustments to total capital	-	-
Capital	253.3	272.0

The above ratios are derived in accordance with the conditions of registration relating to capital adequacy and the Reserve Bank document entitled "Capital Adequacy Framework" (BS2A) dated November 2007.

2 Risk weighted exposures

Calculation of on – balance sheet exposures

As at 31 March 2010	Banking Group		
	Principal amount	Risk weights	Risk weighted exposure
	NZ\$m	%	NZ\$m
Cash and short term claims on government	-	0%	-
Long term claims on government	-	10%	-
Claims on banks	7.6	20%	1.5
Claims on public sector entities	-	20%	-
Residential mortgages	-	50%	-
Other *	0.8	0%	-
Other **	7,006.1	20%	1,401.2
Other ***	44.9	100%	44.9
Non risk weighted assets ****	47.2	0%	-
Total assets	7,106.6		1,447.6

* Other assets that have been risk weighted at 0% comprise of income tax receivable and GST receivable.

** Other assets that have been risk weighted at 20% comprise of loans and advances and accrued interest receivable which are guaranteed by Rabobank Nederland.

*** Other assets that have been risk weighted at 100% comprise of finance leases, property, plant and equipment and sundry debtors.

**** Non risk weighted assets relate to deferred tax assets and derivative assets.

Risk Weighted Exposures and Capital Adequacy under the Basel I Approach

Calculation of off – balance sheet exposures

As at 31 March 2010	Principal amount NZ\$m	Credit conversion factor %	Credit equivalent amount NZ\$m	Average counterparty risk weight %	Risk weighted exposure NZ\$m
Direct credit substitutes	11.9	100%	11.9	100%	11.9
Asset sales with recourse	-	100%	-	N/A	-
Commitments with certain drawdown	50.7	100%	50.7	20%	10.1
Underwriting and sub-underwriting facilities	-	50%	-	N/A	-
Transaction related contingent items	-	50%	-	N/A	-
Short term, self liquidating trade related contingencies	-	20%	-	N/A	-
Other commitments to provide financial services which have an original maturity of 1 year or more	55.7	50%	27.9	20%	5.6
Other commitments with an original maturity of less than 1 year	424.3	0%	-	20%	-
Market related contracts *					
(c) Foreign exchange options	-	N/A	-	20%	-
Foreign exchange options	-	N/A	-	50%	-
(b) Foreign exchange swaps	1.0	N/A	-	20%	-
Foreign exchange swaps	0.5	N/A	-	50%	-
(c) Interest rate swaps	58.2	N/A	0.3	20%	0.1
Interest rate swaps	63.2	N/A	2.1	50%	1.0
Total off-balance sheet exposures	665.5		92.9		28.7

* The current exposure method has been used to calculate the credit equivalent amount on all market related off-balance sheet exposures.

3 Capital ratios

As at 31 March	2010 %	2009 %
Tier 1 capital expressed as a percentage of total risk weighted exposures	17.2%	20.1%
Total capital expressed as a percentage of total risk weighted exposures	17.2%	20.1%

The above ratios are derived in accordance with the conditions of registration relating to capital adequacy and the Reserve Bank document entitled "Capital Adequacy Framework" (BS2A) dated November 2007.

Risk Weighted Exposures and Capital Adequacy under the Basel II Standardised Approach

Capital adequacy of the Banking Group

1 Capital

	2010	2009
	NZ\$m	NZ\$m
As at 31 March 2010		
Tier one capital (before deductions)	287.4	277.3
Less : deductions from tier one capital	34.1	5.3
Plus: other adjustments to tier one capital	-	-
Total tier one capital	253.3	272.0
Upper tier two capital	-	-
Less : deductions from upper tier two capital	-	-
Plus: other adjustments to upper tier two capital	-	-
Lower tier two capital	-	-
Total tier two capital	-	-
Total tier one and tier two capital	253.3	272.0
Less : deductions from total capital	-	-
Plus: other adjustments to total capital	-	-
Capital	253.3	272.0

2 Credit Risk

Calculation of on-balance sheet exposures

	Total exposure after credit risk mitigation	Risk weights	Risk weighted exposure	Minimum pillar one capital requirement
	NZ\$m	%	NZ\$m	
As at 31 March 2010				
Cash and gold bullion	-	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisations	-	0%	-	-
Public sector entities	-	20%	-	-
Banks	7.6	20%	1.5	0.1
Corporate	-	50%	-	-
Residential mortgages not past due	-	75%	-	-
Past due residential mortgage	-	100%	-	-
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	300%	-	-
All other equity holdings (not deducted from capital)	-	400%	-	-
Other *	7,006.1	20%	1,401.2	112.1
Other **	44.9	100%	44.9	3.6
Non risk weighted assets ***	48.0	0%	-	-
Total assets	7,106.6		1,447.6	115.8

* Other assets that have been risk weighted at 20% comprise of loans and advances and accrued interest receivable which are guaranteed by Rabobank Nederland.

**Other assets that have been risk weighted at 100% comprise of finance leases, property plant and equipment and sundry debtors.

***Non risk weighted assets relate to deferred tax assets, derivative assets and GST receivable.

Risk Weighted Exposures and Capital Adequacy under the Basel II Standardised Approach

Calculation of off-balance sheet exposures

	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum pillar one capital requirement
As at 31 March 2010	NZ\$m	%	NZ\$m	%	NZ\$m	
Direct credit substitutes	11.9	100%	11.9	100%	11.9	1.0
Asset sales with recourse	-	100%	-	N/A	-	-
Forward asset purchase	-	100%	-	N/A	-	-
Commitments with certain drawdown	50.7	100%	50.7	20%	10.1	0.8
Note issuance facility	-	50%	-	N/A	-	-
Revolving underwriting facility	-	50%	-	N/A	-	-
Performance-related contingency	-	50%	-	N/A	-	-
Trade-related contingency	-	20%	-	N/A	-	-
Placements of forward deposits	-	100%	-	N/A	-	-
Other commitments where original maturity is more than one year	55.7	50%	27.9	20%	5.6	0.4
Other commitments where original maturity is less than or equal to one year	424.3	20%	84.9	20%	17.0	1.4
Market related contracts *						
(c) Foreign exchange options	-	N/A	-	20%	-	-
Foreign exchange options	-	N/A	-	100%	-	-
(b) Foreign exchange swaps	1.0	N/A	-	20%	-	-
Foreign exchange swaps	0.5	N/A	-	100%	-	-
(c) Interest rate swaps	58.2	N/A	0.3	20%	0.1	-
Interest rate swaps	63.2	N/A	2.1	50%	1.0	0.1
Total off-balance sheet exposures	665.5		177.8		45.7	3.7

* The current exposure method has been used to calculate the credit equivalent amount on all market related off-balance sheet exposures.

Rabobank New Zealand Limited

Risk Weighted Exposures and Capital Adequacy under the Basel II Standardised Approach

3 Credit risk mitigation

As at 31 March 2010	Total value of on- and off- balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on- and off- balance sheet exposures covered by guarantees or credit derivatives
	NZ\$m	NZ\$m
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	7.6
Corporate	-	-
Other	-	7,112.5
Total	-	7,120.1

Under a guarantee dated 14 December 2000, Rabobank Nederland New Zealand Branch has irrevocably guaranteed to Rabobank New Zealand Limited the payment of all existing and future loans to Rabobank New Zealand Limited.

4 Operational risk

Operational risk capital requirement

As at 31 March 2010	Implied risk weighted exposure NZ\$m	Total operational risk capital requirement NZ\$m
Operational risk	385.5	30.8
Total	385.5	30.8

5 Market risk period-end capital charges

As at 31 March 2010	Implied risk weighted exposure NZ\$m	Aggregate capital charge NZ\$m	Aggregate capital charge as a percentage of the Banking Group's equity %
Interest rate risk	68.2	5.5	1.9%
Foreign currency risk	13.8	1.1	0.4%
Total	82.0	6.6	2.3%

As at 31 March 2009	Implied risk weighted exposure NZ\$m	Aggregate capital charge NZ\$m	Aggregate capital charge as a percentage of the Banking Group's equity %
Interest rate risk	138.4	11.1	4.1%
Foreign currency risk	7.5	0.6	0.2%
Total	145.9	11.7	4.3%

Risk Weighted Exposures and Capital Adequacy under the Basel II Standardised Approach

6 Market risk peak end-of-day capital charges

As at 31 March 2010	Implied risk weighted exposure NZ\$m	Aggregate capital charge NZ\$m	Aggregate capital charge as a percentage of the Banking Group's equity %
Interest rate risk	142.3	11.4	4.0%
Foreign currency risk	35.8	2.9	0.1%
Total	178.1	14.3	4.1%

As at 31 March 2009	Implied risk weighted exposure NZ\$m	Aggregate capital charge NZ\$m	Aggregate capital charge as a percentage of the Banking Group's equity %
Interest rate risk	195.8	15.7	5.7%
Foreign currency risk	55.6	4.5	1.6%
Total	251.5	20.2	7.3%

7 Method for deriving peak end-of-day aggregate capital charge

The above ratios are derived in accordance with the conditions of registration relating to capital adequacy and the Reserve Bank document entitled "Capital Adequacy Framework" (Standardised Approach) (BS2A) dated November 2007.

8 Total capital requirements

As at 31 March 2010	Total exposure after credit risk mitigation NZ\$m	Risk Weighted Exposure or Implied Risk Weighted Exposure NZ\$m	Capital requirement NZ\$m
Total credit risk	7,772.1	1,493.3	119.5
Operational risk	N/A	385.5	30.8
Market risk	N/A	82.0	6.6
Total	7,772.1	1,960.8	156.9

9 Capital ratios

As at 31 March	2010 %	2009 %
Tier one capital / risk weighted exposure %	12.9%	14.8%
Capital / risk weighted exposure %	12.9%	14.8%

10 Solo capital adequacy

As at 31 March	2010 %	2009 %
Tier one capital / risk weighted exposure %	12.9%	14.8%
Capital / risk weighted exposure %	12.9%	14.8%

The above ratios are derived in accordance with the conditions of registration relating to capital adequacy and the Reserve Bank document entitled "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2007.

11 Pillar two capital for other material risks

As at 31 March	2010	2009
Internal capital allocation for other material risks	7.8	7.4

The Pillar 2 risks that the Bank has identified are described below:

- i) Reputation Risk: The risk of potential damage to the Bank from a deterioration of reputation.
- ii) Transfer Risk: The risk that funds in foreign currencies cannot be transferred out of a country. The risk relates specific to explicit government restrictions or simply depleted foreign exchange funds in the non-industrial countries of Africa, Asia, Latin America and Central and Eastern Europe.
- iii) Strategic/Business Risks: Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.
- iv) Human Resources Risk: Lack of availability of appropriately skilled and motivated people to undertake the Bank's activities including health, safety and staff action/disputes.
- v) Tax Risk: Risk arising from adverse changes in relevant taxation laws, failure to correctly identify implications of existing taxation laws or breaches of tax laws.
- vi) Legal Risk: Risk arising from legal proceedings or failure to legally enforce a contractual arrangement relating to the Bank's activities.
- vii) Liquidity Risk: Risk of inability to meet current financial obligations due to unplanned lack of liquid funds.

The Bank has reviewed these other risks and does not believe any individual risk as being material and requires a capital allocation. However, consistent with the Bank's Internal Capital Adequacy Assessment Process (ICAAP) and the Bank's prudent capital management, it believes that 5% of Pillar 1 capital for Pillar 2 would provide sufficient capital given the current risk profile.

The Bank will review this allocation methodology every reporting period in line with industry practice as this area evolves over time.

12 Capital adequacy of the ultimate parent bank

Capital adequacy of Rabobank Nederland under Basel II (internal models based) approach

Capital adequacy ratios for Rabobank Nederland are publicly available in the Rabobank Nederland Annual Report.

As at 31 December (audited)	2009	2008
	%	%
Tier one capital expressed as a percentage of total risk weighted exposures	13.8%	12.7%
Qualifying capital* expressed as a percentage of total risk weighted	14.1%	13.0%
De Nederlandsche Bank's minimum ratios:		
Tier one capital expressed as a percentage of total risk weighted exposures	4.0%	4.0%
Qualifying capital* expressed as a percentage of total risk weighted exposures	8.0%	8.0%

Rabobank Group is required by the De Nederlandsche Bank to hold minimum capital at least equal to that specified under Basel I approach and those requirements imposed on it by the De Nederlandsche Bank have been met as at the reporting date.

* Qualifying capital consists of the sum of core capital (tier one) and supplementary capital (tier two). Tier two capital includes the revaluation reserves, part of the subordinated loans less deductible items specified by the De Nederlandsche Bank.

Concentration of Credit Exposures to Individual Counterparties

1 Concentration of credit exposures to individual counterparties.

As at 31 March	Number of counterparties	
	2010	2009
(a) Bank counterparties:		
Percentage of shareholders' equity		
>10 - 20%	Nil	Nil
(b) Non-bank counterparties:		
Percentage of shareholders' equity		
>10 - 20%	5	4
>20 - 30%	1	2
>30 - 40%	2	1
>40 - 50%	-	-
>50 - 60%	-	1
>60 - 70%	1	-

2 Peak credit exposures to individual counterparties

As at 31 March	Number of counterparties	
	2010	2009
(a) Bank counterparties:		
Percentage of shareholders' equity		
>10 - 20%	Nil	Nil
(b) Non-bank counterparties:		
Percentage of shareholders' equity		
>10 - 20%	10	4
>20 - 30%	1	2
>30 - 40%	3	1
>40 - 50%	-	-
>50 - 60%	-	1
>60 - 70%	1	-

The peak end-of-day credit exposure is measured by taking the maximum end-of-day aggregate credit exposure during the quarter and dividing it by the Banking Group's equity as at the end of the quarter.

Credit exposure is calculated on the basis of actual exposure net of individual credit impairment allowances and excludes credit exposures to connected persons and to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

Concentration of Credit Exposures to Individual Counterparties

3 Aggregate credit exposure

As at 31 March	2010 NZ\$m	%	2009 NZ\$m	%
(a) Bank counterparties:				
At or above investment credit rating	Nil	100%	Nil	100%
Below investment credit rating	Nil	0%	Nil	0%
Credit rating not applicable	Nil	0%	Nil	0%
(b) Non-bank counterparties:				
At or above investment credit rating	Nil	0%	Nil	0%
Below investment credit rating	Nil	0%	Nil	0%
Credit rating not applicable	610.6	100%	469.4	100%

An investment grade credit rating is a credit rating of BBB- or Baa3 or above, or its equivalent.

1 Concentration of credit exposures to connected persons

	Exposures		Exposures as a % of Banking Group's tier one capital	
	2010 NZ\$m	2009 NZ\$m	2010 %	2009 %
For the quarter ended 31 March				
(a) Connected persons				
Aggregate at end-of-period	379.4	195.4	149.8%	72.0%
Peak end-of-day for the quarter	379.4	205.0	149.8%	75.7%
Contingent credit exposures arising from risk lay-off arrangements	Nil	Nil	Nil	Nil
(b) Non-Bank Connected Persons				
Aggregate at end-of-period	-	-	0.0%	0.0%
Peak end-of-day for the quarter	-	0.1	0.0%	0.0%
Contingent credit exposures arising from risk lay-off arrangements	Nil	Nil	Nil	Nil

The peak end-of-day credit exposure is measured by taking the maximum end-of-day aggregate credit exposure during the quarter and dividing it by the Banking Group's tier one capital as at the end of the quarter.

The information on credit exposure to connected persons has been derived in accordance with Rabobank New Zealand Limited's Conditions of Registration and is net of individual credit impairment allowances, excluding advances of a capital nature and gross of set-offs.

Credit exposure is calculated on the basis of actual exposure.

The Banking Group has no individual credit impairment allowances provided against credit exposures to connected persons as at the balance date.

Because Rabobank New Zealand Limited's obligations are fully, irrevocably and unconditionally guaranteed by the parent entity with a AAA credit rating from a Reserve Bank approved rating agency, it is not subject to the condition of registration limiting exposures to connected persons.

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