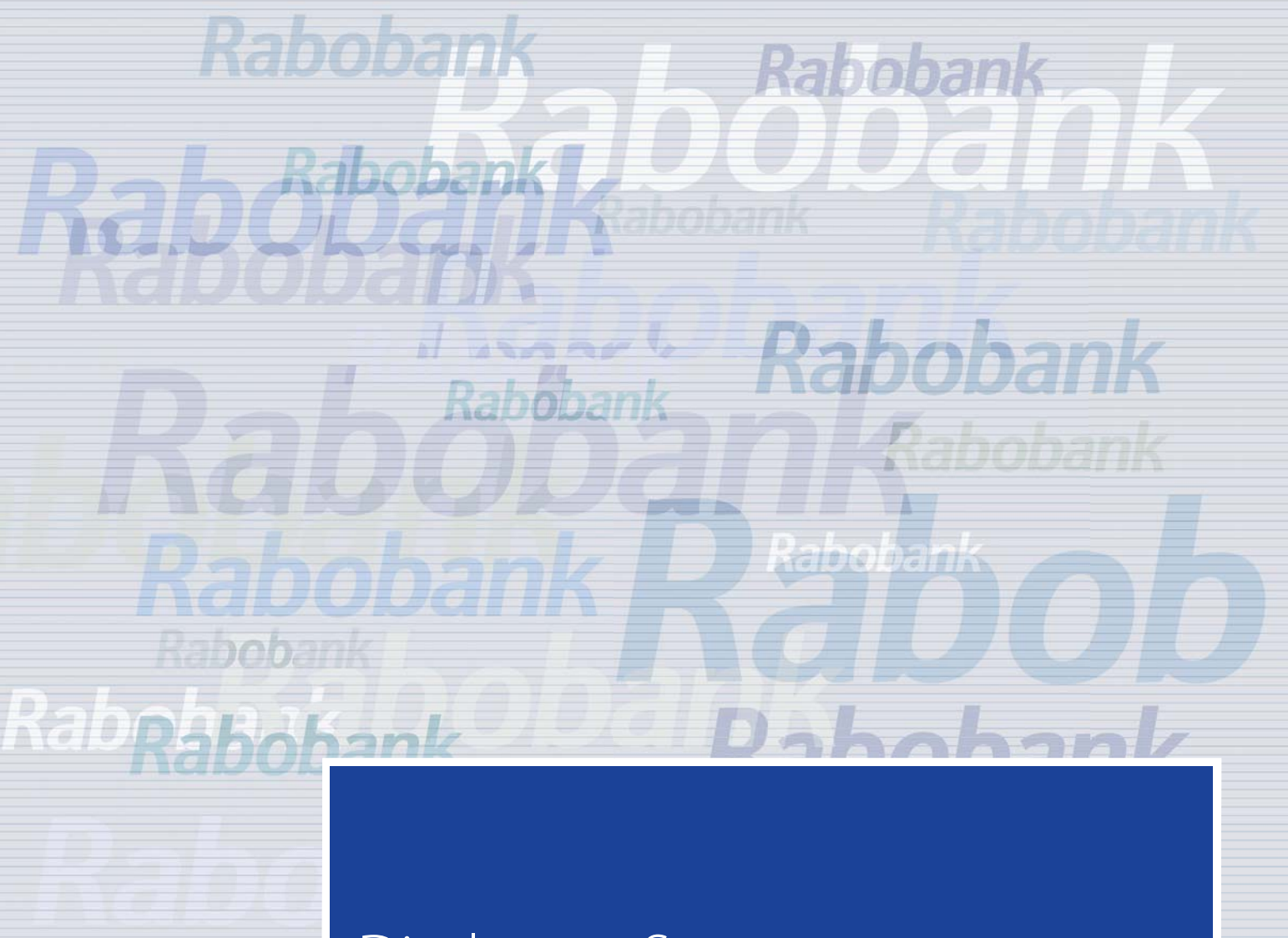




Rabobank



Disclosure Statement

For the nine months ended 30 September 2011

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General information and definitions

The information contained in this Disclosure Statement is as required by section 81 of the Reserve Bank of New Zealand Act 1989 and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 3) 2011 ("Order").

In this Disclosure Statement:

- "Branch" refers to the New Zealand business of the Registered Bank.
- "Overseas Banking Group" refers to the total worldwide business of the Registered Bank, including its world-wide subsidiary entities.
- "Rabobank Nederland New Zealand Banking Group" refers to:
 - (a) The Branch; and
 - (b) The Registered Bank's New Zealand incorporated subsidiaries: Rabobank New Zealand Limited, Rabo Securities and Investments (NZ) Limited, Rabo New Zealand Holdings Limited, Neo Investments Limited, De Lage Landen Limited, AGCO Finance Limited and Rabo Capital Securities Limited. On 26 August 2011 Rabo Securities and Investments (NZ) Limited and Neo Investments Limited were voluntarily removed from the register of companies and thereby ceased to be members of the Rabobank Nederland New Zealand Banking Group.
- "Registered Bank" refers to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated in The Netherlands and trading as Rabobank Nederland excluding the Registered Bank's New Zealand incorporated subsidiaries, Rabobank New Zealand Limited, Rabo Securities and Investments (NZ) Limited, Rabo New Zealand Holdings Limited, Neo Investments Limited, De Lage Landen Limited, AGCO Finance Limited and Rabo Capital Securities Limited.

General matters

Directors

There has been one change in the composition of the Registered Bank's Board of Directors since 31 December 2010, namely the resignation of Arnold Walravens from the Supervisory Board.

The Directors of the Executive Board and Supervisory Board, on whose behalf the New Zealand Chief Executive Officer has signed this Disclosure Statement, are listed as follows:

Executive Board

Piet Moerland (P.W.), chairman
Bert Bruggink (A.), chief financial officer
Berry Marttin (B.J.), member
Sipko Schat (S.N.), member
Piet van Schijndel (P.J.A), member
Gerlinde Silvis (A.G.), member

Supervisory Board

Lense Koopmans (L.), chairman
 Antoon Vermeer (A.J.A.M.), deputy chairman
 Martin Tielen (M.J.M), secretary
 Irene Asscher-Vonk (I.P), deputy secretary
 Bernard Bijvoet (B.), member
 Tom de Bruijn (A.), member
 Louise Fresco (L.O.), member
 Rinus Minderhoud (M.), member
 Cees Veerman (C.P), member
 Wout Dekker, member
 Leo Graafsma, member
 Erik van de Merwe, member

Auditors for the Registered Bank

Mr Andrew Price
 C/- Ernst & Young
 680 George Street
 Sydney NSW 2000
 Australia

Credit ratings

The Registered Bank has a general credit rating applicable to its long term senior unsecured obligations payable in any country or currency, including obligations payable in New Zealand and in New Zealand dollars.

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

Guarantee arrangements

Material obligations of the Registered Bank that relate to the Branch are guaranteed as at the date its directors and New Zealand Chief Executive Officer signed this Disclosure Statement.

Material cross guarantees

Through their mutual financial association, various legal entities within the Overseas Banking Group together make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Section 3:111 of the Dutch Financial Supervision Act (Wet financieel toezicht). This relationship is formalised in an internal 'cross-guarantee' system, which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfill those obligations. There are no limits on the amount of obligations guaranteed and no material conditions on the guarantees other than insufficiency of funds to meet a participating institution's obligations towards its creditors. Nor are there any material or other legislative or regulatory restrictions in the Netherlands that, in a liquidation of a participating institution, would have the effect of limiting the claims under the cross-guarantee system of any creditors of the Registered Bank on the assets of the participating institution to other claims on the participating institution. Neither a single nor a standard representative cross-guarantee contract exists.

Participating institutions within the Overseas Banking Group are:

- the Registered Bank
- the local Rabobank Member banks
- De Lage Landen International B.V.
- De Lage Landen Financiering B.V.
- De Lage Landen Trade Finance B.V.
- De Lage Landen Financial Services B.V.
- Schretlen & Co. N.V.
- Rabohypothekbank N.V.
- Raiffeisenhypothekbank N.V.

For regulatory and financial reporting purposes, the Registered Bank and the local Rabobanks in the Netherlands, as well as the participating subsidiaries, are treated as one consolidated entity.

Insurance business

The Rabobank Nederland New Zealand Banking Group does not conduct any insurance business.

Non-consolidated activities

The Registered Bank does not conduct any insurance business or non-financial activities in New Zealand, including outside the Rabobank Nederland New Zealand Banking Group.

Risk management policies

Since 30 June 2011:

- there has been no material change in the Rabobank Nederland New Zealand Banking Group's policies for managing credit, currency, interest rate, liquidity, operational, and other material business risks; and
- the Rabobank Nederland New Zealand Banking Group has not become exposed to a new category of risk.

The Rabobank Nederland New Zealand Banking Group does not take any equity risk.

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

The Rabobank Nederland New Zealand 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 Rabobank Nederland New Zealand Banking Group has no involvement in trust, custodial, funds management, or other fiduciary activities established, marketed or sponsored by a member of Rabobank Nederland New Zealand Banking Group.

On 14 February 2006 Rabobank New Zealand Limited launched "RaboPlus", an online banking and investment service offering access to third party managed funds. On 15 August 2010 RaboPlus was re-named "RaboDirect". RaboDirect 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,

RaboDirect is entitled to distribution fees from the fund managers and entry fees from investors.

Rabobank New Zealand Limited 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 Cash Advantage Fund's manager. All amounts invested in the Cash Advantage Fund are held in an interest-bearing deposit account with the Registered Bank. The Cash Advantage Fund is offered through RaboDirect and other distribution channels and was opened to investments from the public on 27 November 2007.

Since 30 June 2011 there have been no material changes in the Rabobank Nederland New Zealand Banking Group's:

- involvement in the establishment, marketing, or sponsorship of trust, custodial, funds management, or other fiduciary activities (as set out above); or
- arrangements to ensure that difficulties arising from those activities would not impact adversely on the Rabobank Nederland New Zealand Banking Group.

Conditions of registration

The Conditions of Registration for the Registered Bank were updated with effect on 1 July 2011 to reflect that, in the case of an overseas incorporated registered bank, the entity that is the "registered bank" is the overseas incorporated registered bank as a whole and not just its New Zealand branch.

The Conditions of Registration were further updated with effect from 30 September 2011 to re-define "insurance business" and to otherwise amend the condition relating to any insurance business.

Other material matters

There are no matters relating to the business or affairs of the Registered Bank and/or the Rabobank Nederland New Zealand Banking Group that:

- (a) are not contained elsewhere in the disclosure statement; and
- (b) 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 Rabobank Nederland New Zealand Banking Group is the issuer.

Financial Statements of Registered Bank and Overseas Banking Group

Copies of the most recent publicly available financial statements of the Registered Bank and the Overseas Banking Group will be provided immediately at no charge to any person requesting a copy where the request is made at the Registered Bank's head office, or within five working days where the request is made at any branch or agency of the Registered Bank.

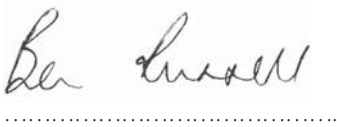
Alternatively, those financial statements can be accessed at the internet address www.rabobank.co.nz

Directors' and New Zealand Chief Executive Officer's Statements

After due enquiry, each director and the New Zealand Chief Executive Officer believes that:

- (i) as at the date on which the Disclosure Statement is signed:
 - The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No. 3) 2011; and
 - The Disclosure Statement is not false or misleading;
- (ii) over the nine months accounting period:
 - The Registered Bank has complied with all conditions of registration that applied during that period; and
 - The Branch had systems in place to monitor and control adequately the Rabobank Nederland New Zealand Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and those systems were being properly applied (the Rabobank Nederland New Zealand Banking Group does not have any equity risk, and therefore neither has nor requires any system to monitor or control equity risk).

Signed by Benjamin Russell in his capacity as New Zealand Chief Executive Officer of the Registered Bank and as agent authorised in writing by each director.



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Benjamin Russell
Dated: 22 November 2011

Interim Consolidated Financial Statements Contents

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	Notes	Banking Group		
		Unaudited	Unaudited	Audited
		9 months to 30/9/2011 \$000	9 months to 30/9/2010 \$000	Year to 31/12/2010 \$000
Interest income		467,629	436,300	591,973
Interest expense		(245,392)	(186,227)	(261,205)
Net interest income		222,237	250,073	330,768
Other revenue	2	2,291	2,628	3,771
Other operating gains / (losses)	3	(40,447)	(89,429)	(90,650)
Non-interest income		(38,156)	(86,801)	(86,879)
Total net operating income		184,081	163,272	243,889
Operating expenses		(68,864)	(59,069)	(82,325)
Release of provision for risk		-	9,597	9,597
Impairment losses on loans and advances	4	(26,472)	(29,165)	(33,698)
Profit / (loss) before tax		88,745	84,635	137,463
Income tax expense		(30,058)	(38,300)	(52,666)
Profit / (loss) after tax		58,687	46,335	84,797
Other comprehensive income after tax		-	-	-
Total comprehensive income after tax for the period		58,687	46,335	84,797
Profit attributable to:				
Equity holders of the Bank		58,480	46,156	84,552
Non-controlling interests		207	179	245
Profit for the period		58,687	46,335	84,797
Total comprehensive income attributable to:				
Equity holders of the Bank		58,480	46,156	84,552
Non-controlling interests		207	179	245
Total comprehensive income for the period		58,687	46,335	84,797

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	Banking Group		
		Unaudited	Unaudited	Audited
		9 months to 30/9/2011 \$000	9 months to 30/9/2010 \$000	Year to 31/12/2010 \$000
Assets				
Due from other financial institutions		18,802	1,586	73,117
Derivative financial instruments		238,659	175,459	134,626
Loans and advances	5	9,473,892	8,720,688	8,861,145
Due from related entities	6	628,638	407,832	304,920
Other assets		27,765	36,449	17,691
Net deferred tax assets		59,625	51,597	50,355
Property, plant and equipment		7,249	7,509	7,572
Intangible assets		6	-	7
Total assets		10,454,636	9,401,120	9,449,433
Liabilities				
Due to other financial institutions		1,828,474	1,070,243	1,150,697
Deposits	8	3,802,524	3,566,765	4,049,707
Preference shares		280,000	280,000	280,000
Derivative financial instruments		156,390	251,970	194,531
Due to related entities	7	3,539,557	3,498,209	3,004,090
Creditors and accruals		64,719	48,077	46,848
Provisions		1,705	2,239	1,480
Head office account		139,616	119,405	114,859
Total liabilities		9,812,985	8,836,908	8,842,212
Net assets		641,651	564,212	607,221
Equity				
Contributed equity	12	342,901	342,401	342,401
Retained earnings		297,728	221,062	264,005
Total equity attributable to equity holders of the Bank		640,629	563,463	606,406
Non-controlling interests		1,022	749	815
Total equity		641,651	564,212	607,221

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Banking Group

	Contributed equity \$000	Retained earnings \$000	Reserves \$000	Total \$000	Minority interest \$000	Total equity \$000
Total equity at 1 January 2010	42,401	193,540	-	235,941	570	236,511
Ordinary share capital issued during the year	300,000	-	-	300,000	-	300,000
Total comprehensive income after tax (excluding Branch*)	-	27,522	-	27,522	179	27,701
Total equity at 30 September 2010 (Unaudited)	342,401	221,062	-	563,463	749	564,212
Total equity at 1 January 2010	42,401	193,540	-	235,941	570	236,511
Ordinary share capital issued during the year	300,000	-	-	300,000	-	300,000
Total comprehensive income after tax (excluding Branch*)	-	70,465	-	70,465	245	70,710
Total equity at 31 December 2010 (Audited)	342,401	264,005	-	606,406	815	607,221
Total equity at 1 January 2011	342,401	264,005	-	606,406	815	607,221
Ordinary share capital issued during the year	500	-	-	500	-	500
Total comprehensive income after tax (excluding Branch*)	-	33,723	-	33,723	207	33,930
Total equity at 30 September 2011 (Unaudited)	342,901	297,728	-	640,629	1,022	641,651

* Statement of changes in equity excludes current year and cumulative surpluses of the Branch. The net surplus of the Branch is disclosed as head office account under liabilities in the statement of financial position.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

		Banking Group		
		Unaudited	Unaudited	Audited
		9 months to	9 months to	Year to
		30/9/2011	30/9/2010	31/12/2010
Notes		\$000	\$000	\$000
Cash flows from operating activities				
	Interest received	455,007	425,863	586,997
	Interest paid	(226,260)	(159,298)	(240,965)
	Other cash inflows provided by operating activities	2,290	3,089	3,349
	Other cash outflows used in operating activities	(255,787)	(129,837)	(160,372)
	Cash flows from operating profits before changes in operating assets and liabilities	(24,750)	139,817	189,009
	Net changes in operating assets and liabilities	(161,263)	(445,887)	(430,817)
19	Net cash flow (used in) / provided by operating activities	(186,013)	(306,070)	(241,808)
Cash flows from investing activities				
	Cash inflows provided by investing activities	-	-	-
	Cash outflows used in investing activities	(234)	(817)	(1,116)
	Net cash flow (used in) / provided by investing activities	(234)	(817)	(1,116)
Cash flows from financing activities				
	Cash inflows provided by financing activities	500	300,000	300,000
	Cash outflows used in financing activities	-	-	-
	Net cash flow (used in) / provided by financing activities	500	300,000	300,000
	Net increase / (decrease) in cash and cash equivalents for the period / year	(185,747)	(6,887)	57,076
	Effects of exchange rate changes on cash and cash equivalents	-	-	-
	Cash and cash equivalents at beginning of the period / year	64,239	7,163	7,163
	Cash and cash equivalents at end of the period / year	(121,508)	276	64,239
Cash and cash equivalents at end of the period/year comprise of:				
	Cash at other financial institutions	18,802	1,586	73,117
	Bank overdraft	(140,310)	(1,310)	(8,878)
	Cash and cash equivalents at end of the period / year	(121,508)	276	64,239

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. Statement of accounting policies

(a) Reporting entity and statement of compliance

Rabobank Nederland New Zealand Banking Group (the "Banking Group") consists of Rabobank Nederland New Zealand Branch (the "Branch"); Rabobank New Zealand Limited ("RNZL"); Rabo New Zealand Holdings Limited ("RNZHL"); De Lage Landen Limited ("DLL"); AGCO Finance Limited ("AGCO") and Rabo Capital Securities Limited ("RCSL"). RNZL, RNZHL, DLL, AGCO and RCSL are registered under the Companies Act 1993.

These interim financial statements as at and for the nine months ended 30 September 2011 are a combination of the interim financial statements of the above entities which comprise all the activities of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) in New Zealand.

The interim financial statements have been prepared and presented in accordance with the Order 2011, the Financial Reporting Act 1993, the Reserve Bank of New Zealand Act 1989 and the Reserve Bank of New Zealand ("RBNZ") reporting framework for the Banking Group, for the purpose of reporting the New Zealand activities of Rabobank Nederland as represented by the Banking Group to the RBNZ. For this purpose the Banking Group comprises entities and operations as required by the RBNZ but it does not constitute a group in accordance with NZ IAS 27 Consolidated and Separate Financial Statements.

These interim financial statements have been prepared in accordance with the requirements of the New Zealand equivalent to International Accounting Standard ('NZ IAS') 34 Interim Financial Reporting and should be read in conjunction with the Banking Group's financial statements for the year ended 31 December 2010.

(b) Basis of measurement

These interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The going concern concept and the accrual basis of accounting have been adopted.

The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(c) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies. In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Banking Group's accounting policies and the key sources of estimation of uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2010.

(d) Principal accounting policies

There have been no material changes in accounting policies during the interim financial period. The accounting policies used in the preparation of these interim financial statements are consistent with the accounting policies used in the preparation of the annual financial statements for the year ended 31 December 2010.

The Banking Group's operations are not subject to seasonality.

Certain comparative figures have been restated to ensure consistent treatment with current reporting period. Where there has been a material restatement of comparative figures the nature of, and the reason for, the restatement is disclosed in the relevant note.

(e) Functional and presentation currency

Unless otherwise indicated, all amounts are expressed in New Zealand dollars (NZD), the functional and presentation currency of the operations of the entities in the Banking Group, as this currency best reflects the economic substance of the underlying events and circumstances relevant to the Banking Group.

All financial information presented in NZD has been rounded to the nearest thousand unless otherwise stated.

Notes to the Interim Consolidated Financial Statements

(f) Principles of consolidation

The basis of aggregation incorporates the assets and liabilities of all entities within the Banking Group and the results of those entities. The effects of transactions as well as balances between entities in the Banking Group have been eliminated.

(g) Subsidiaries

On 26 August 2011, Rabo Securities and Investment (NZ) Limited and Neo Investments Limited, two dormant subsidiaries of the Banking Group, were removed from the New Zealand Companies Office register.

	Banking Group		
	Unaudited 9 months to 30/9/2011 \$000	Unaudited 9 months to 30/9/2010 \$000	Audited Year to 31/12/2010 \$000
2 Other revenue			
Lending and credit facility related fee income	1,446	1,771	2,021
Other income	845	857	1,750
Total other revenue	2,291	2,628	3,771
3 Other operating gains / (losses)			
Gains / (losses) arising from:			
- hedging instruments	7,174	(13,511)	(811)
- hedged items attributable to hedged risks	(16,010)	(16,461)	(7,855)
- net trading losses on derivatives*	(31,875)	(59,395)	(81,918)
Profit / (loss) on disposal of property, plant and equipment	42	57	76
Foreign exchange gains / (losses)	222	(119)	(142)
Total other operating gains / (losses)	(40,447)	(89,429)	(90,650)
*Within the balance of \$31.9 million loss, there is a balance of \$5.2 million loss which relates to the Reserve Bank of New Zealand requiring the NZ Banking Group to produce a set of financial accounts that notionally consolidates a branch together with locally incorporated subsidiaries, resulting in hedges that are ordinarily effective to become ineffective. The notional consolidation of branches with locally incorporated subsidiaries does not constitute a group in accordance with NZ IAS 27 Consolidated and Separate Financial Statements. The loss on consolidation is not required to be tax effected.			
4 Impairment losses on loans and advances			
Collective provisions	1,786	(80)	(251)
Specific provisions	24,686	29,270	33,974
Bad debt recovery	-	(25)	(25)
Total impairment losses on loans and advances	26,472	29,165	33,698
5 Loans and advances			
Lending	9,460,465	8,730,646	8,862,867
Finance leases	154,720	125,849	134,232
Gross loans and advances	9,615,185	8,856,495	8,997,099
Provisions for doubtful debts:			
Collective	(21,276)	(19,767)	(19,517)
Specific	(120,017)	(116,040)	(116,437)
Total net loans and advances	9,473,892	8,720,688	8,861,145

	Banking Group		
	Unaudited	Unaudited	Audited
	9 months to	9 months to	Year to
	30/9/2011	30/9/2010	31/12/2010
	\$000	\$000	\$000
6 Due from related entities			
Debit current account balances - wholly owned group*	55,358	4,365	4,397
Short term advances - wholly owned group*	290,266	115,358	19,526
Capital securities - wholly owned group*	280,000	280,000	280,000
Accrued interest receivable - wholly owned group*	3,014	8,109	997
Total due from related entities	628,638	407,832	304,920
7 Due to related entities			
Credit current account balances - wholly owned group*	13,495	313,208	348,860
Short term advances - wholly owned group*	3,521,155	3,178,636	2,650,544
Short term advances - AGCO Australia	10	5	5
Accrued interest payable - wholly owned group*	4,897	6,360	4,681
Total due to related entities	3,539,557	3,498,209	3,004,090

* The wholly owned group refers to other Rabobank Group related entities. Refer to note 20 for further information on related party disclosures.

8 Deposits

RaboDirect* deposits	2,728,281	2,190,412	2,326,219
Other deposits	1,074,243	1,376,353	1,723,488
Total deposits	3,802,524	3,566,765	4,049,707

* On 15 August 2010, RaboPlus was renamed "RaboDirect".

	Banking Group			
	Residential	Corporate	Retail	Total
	mortgages	exposure	exposure	
	\$000	\$000	\$000	\$000
9 Impaired assets				
As at 30/09/2011 (Unaudited)				
Individually impaired assets	-	-	392,963	392,963
Loans that are at least 90 days past due but not impaired	-	-	54,133	54,133
Specific provision	-	-	120,017	120,017
Collective provision	-	-	21,276	21,276

10 Asset quality of registered bank's overseas banking group

As at 31 December (audited)

	2010
	EURm
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	9,088
Total individually impaired assets as a percentage of total assets (%)	1.4%
Total individual credit impairment allowance	3,101
Total individual credit impairment allowance as a percentage of total individually impaired assets (%)	33.4%
Total collective credit impairment allowance	325

Notes to the Interim Consolidated Financial Statements

11 Additional information on statement of financial position

	Banking Group
	Unaudited
	30/9/2011
	\$000
Total interest earning and discount bearing assets	10,062,678
Total interest and discount bearing liabilities	9,415,329
Financial assets pledged as collateral for liabilities or contingent liabilities	-
	Branch
	Unaudited
	30/9/2011
	\$000
Total liabilities of the Registered Bank, net of amounts due to related entities	2,741,292
Retail deposits of the Registered Bank	-

Banking Group		
Unaudited	Unaudited	Audited
9 months to	9 months to	Year to
30/9/2011	30/9/2010	31/12/2010
\$000	\$000	\$000

12 Contributed equity and capital management**(a) Contributed equity****Paid up capital in Rabobank New Zealand Limited**

Total paid up capital comprises 170,600,000 ordinary shares fully paid ranking equally as to dividends, voting rights and rights to share in any surplus on winding up. Each share was issued at \$2 and has no par value. There was a capital injection on the 11th of August 2010, whereby the Bank issued 150,000,000 ordinary shares at a value of \$2 per share.

341,200	341,200	341,200
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Paid up capital Rabobank New Zealand Holding Limited

Total paid up capital comprises 1,700,100 ordinary shares fully paid ranking equally as to dividends, voting rights and rights to share in any surplus on winding up. Each share was issued at \$1 and has no par value. There was a capital injection on the 28th of September 2011, whereby the Bank issued 500,000 ordinary shares at a value of \$1 per share.

1,700	1,200	1,200
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Paid up capital Rabo Capital Securities Limited

Total paid up capital comprises 1,000 ordinary shares fully paid ranking equally as to voting rights but are not entitled to receive or participate in any dividend or distribution made by the Company. Each share was issued at \$1 and has no par value.

1	1	1
342,901	342,401	342,401

13 Contingent liabilities

The Banking Group is party to financial instruments with off-balance sheet credit risk in the normal course of business to meet the financing needs of its customers and in managing its own risk profile. These financial instruments include commitments to extend credit, facilities, financial guarantees, and standby letters of credit. The Banking Group's exposure to credit loss in the event of non-performance by the other party to such financial instruments is represented by the contract or notional amount of those instruments. However, some commitments to extend credit and provide underwriting facilities can be cancelled or revoked at any time at the Banking Group's option. The Banking Group uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

The following table shows the maximum amount payable for the following contingent liabilities.

	Banking Group		
	Unaudited 9 months to 30/9/2011 \$000	Unaudited 9 months to 30/9/2010 \$000	Audited Year to 31/12/2010 \$000
Guarantees	21,815	5,327	16,948
Lending commitments	1,292,319	1,156,797	1,048,976
Total	1,314,134	1,162,124	1,065,924

Guarantees represent conditional undertakings by the Banking Group to support the financial obligations of its customers to third parties.

Commitments include the Banking Group's obligations to provide lending facilities which remain undrawn at balance date.

14 Expenditure commitments

(a) Capital expenditure commitments

Estimated capital expenditure contracted for at balance date, but not provided for, or payable:

One year or less	980	4,017	5,051
Between one and two years	1,650	-	-
	2,630	4,017	5,051

(b) Operating lease commitments

One year or less	3,794	1,940	2,815
Between one and two years	2,831	1,770	1,891
Between two and five years	3,949	1,077	1,135
Over five years	3,889	-	-
Total operating lease commitments	14,463	4,787	5,841

Lease arrangements entered into by the Banking Group are for the purpose of accommodating the Banking Group's needs. These include operating leases arrangements over premises, motor vehicles used by staff in conducting business and office equipment such as photocopiers and printers.

Notes to the Interim Consolidated Financial Statements

15 Liquidity risk

The liquidity risk analysis for financial assets and financial liabilities presents the contractual undiscounted cash flows receivable and payable (principal and interest), and is based on the remaining contractual maturity as at the reporting date.

The total balance in the table below may not agree to the statement of financial position as the table incorporates all cash flows on an undiscounted basis, which include both principal and associated future interest income/expense accruals.

Maturity analysis of financial assets and liabilities by contractual maturity based on undiscounted cash flows (principal and interest)

	Banking Group as at 30/09/2011 (Unaudited)						
	Total	On Demand	Less than 6 Months	6-12 Months	12-24 Months	24-60 Months	Over 60 Months
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets							
Due from other financial institutions	18,802	18,802	-	-	-	-	-
Derivative financial instruments	238,659	-	108,925	45,264	46,379	23,670	14,421
Loans and advances	14,963,692	15,016	2,034,121	701,603	1,332,236	1,655,170	9,225,546
Due from related entities	1,398,106	55,584	62,058	18,957	37,913	113,630	1,109,964
Other financial assets*	15,467	-	15,467	-	-	-	-
Total undiscounted financial assets	16,634,726	89,402	2,220,571	765,824	1,416,528	1,792,470	10,349,931
Financial liabilities							
Due to other financial institutions	2,057,652	140,301	195,291	475,861	395,051	471,928	379,220
Deposits	3,827,682	1,787,325	1,746,718	178,321	73,974	41,344	-
Preference shares	771,267	-	8,857	8,857	17,713	53,140	682,700
Derivative financial instruments	156,390	-	42,070	22,696	64,703	17,665	9,256
Due to related entities	3,611,714	16,343	2,560,528	527,515	444,393	62,935	-
Creditors and accruals	64,719	-	64,719	-	-	-	-
Head office account	139,616	-	139,616	-	-	-	-
Total undiscounted financial liabilities	10,629,040	1,943,969	4,757,799	1,213,250	995,834	647,012	1,071,176

* Other financial assets consist of interest receivable, sundry debtors and GST receivable.

16 Concentration of credit exposures to individual counterparties

	Banking Group	
	Unaudited	
	30/9/2011	
	As at	Peak for the quarter
Bank counterparties:		
Percentage of shareholders' equity		
10-15%	-	-
Non-bank counterparties:		
Percentage of shareholders' equity		
10-15%	-	-

All non-bank counterparties included in the preceding table do not have a long-term credit rating.

Credit exposure is calculated on the basis of actual exposure net of individual credit impairment provision; and excludes credit exposures to Connected Persons; credit exposures to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent; credit exposures to any bank with a long-term credit rating of A- or A3 or above, or its equivalent; and credit exposures to an individual counterparty or a group of closely related counterparties if they are booked outside New Zealand.

The credit exposure is measured over the overseas banking group's equity as at 31 December 2010.

The peak end-of-day credit exposure is measured by taking the maximum end-of-day aggregate amount of credit exposure over the period and dividing it by the Banking group's equity.

Notes to the Interim Consolidated Financial Statements

17 Credit and market risk exposures and capital adequacy

(a) Calculation of on-balance sheet exposure

	Banking Group		
	Principal	Risk	Risk
	amount	weight	weighted
	\$000	%	\$000
As at 30/9/2011 (Unaudited)			
Cash and short term claims on government	14	0%	-
Long term claims on government	-	10%	-
Claims on banks	18,788	20%	3,758
Claims on public sector entities	-	20%	-
Residential mortgages	-	50%	-
Other*	7,781	0%	-
Other **	628,637	20%	125,727
Other ***	58,299	50%	29,150
Other ****	9,442,833	100%	9,442,833
Non-risk weighted assets *****	298,284	0%	-
Total assets	10,454,636		9,601,468

* Other assets risk weighted at 0% represent income tax receivable and GST receivable.

** Other assets risk weighted at 20% comprise of due from related entities.

*** Other assets that have been risk weighted at 50% comprise of loans and advances related to residential mortgage with LVR of 85%.

**** Other assets risk weighted at 100% mainly comprise of loans and advances and related accrued interest receivable.

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

(b) Calculation of off-balance sheet exposures

	Banking Group				
	Principal amount \$000	Credit conversion factors %	Credit equivalent amount \$000	Average counterparty risk weight %	Risk weighted exposure \$000
As at 30/9/2011 (Unaudited)					
Direct credit substitutes	21,815	100%	21,815	100%	21,815
Asset sales with recourse	-	100%	-	100%	-
Commitments with certain drawdown	24,745	100%	24,745	100%	24,745
Underwriting and sub-underwriting facilities	-	50%	-	100%	-
Transaction related contingent items	-	50%	-	100%	-
Short term, self liquidating trade related contingencies	-	20%	-	100%	-
Other commitments to provide financial services which have an original maturity of 1 year or more	695,042	50%	347,521	100%	347,521
Other commitments with an original maturity of less than 1 year or which can be unconditionally cancelled at any time	572,532	0%	-	100%	-
Market related contracts*					
(a) Foreign exchange swaps	1,799,917	N/A	25,163	20%	5,033
Foreign exchange swaps	94,725	N/A	4,962	50%	2,481
(b) Currency swaps	957,366	N/A	9,580	20%	1,916
Currency swaps	-	N/A	-	50%	-
(c) Foreign exchange options	36,469	N/A	1,694	20%	339
Foreign exchange options	37,993	N/A	1,346	50%	673
(d) Interest rate swaps	6,006,311	N/A	70,292	20%	14,058
Interest rate swaps	428,943	N/A	29,220	50%	14,610
(e) Foreign exchange forward	298,779	N/A	8,049	20%	1,610
Foreign exchange forward	275,139	N/A	9,895	50%	4,948
(f) Foreign exchange spot	4,276	N/A	-	20%	-
Foreign exchange spot	3,616	N/A	-	50%	-
Total off-balance sheet exposures	11,257,668		554,282		439,749

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

All risk weighted credit risk disclosed in the tables above have been derived in accordance with the "Capital Adequacy Framework" (Basel I approach) (BS2) dated October 2010.

(c) Total on- and off-balance sheet exposures

Total risk weighted credit exposures

Banking Group
Unaudited
30/9/2011
\$000
10,041,217

Notes to the Interim Consolidated Financial Statements

(d) Residential mortgages

Residential mortgages by loan-to-valuation ratio ("LVR")

As at 30/9/2011 (Unaudited)

LVR range

Does not exceed 80%

Exceeds 80% and not 90%

Exceeds 90%

Total

Banking Group		
Drawn amounts \$000	Undrawn amounts \$000	Total \$000
-	-	-
58,299	11,763	70,062
-	-	-
58,299	11,763	70,062

(e) Market risk end-of-period notional capital charges

As at 30/9/2011 (Unaudited)

Interest rate risk

Foreign currency risk

Total

Banking Group	
Implied risk weighted exposure \$000	Notional capital charges \$000
275,250	22,020
25,250	2,020
300,500	24,040

(f) Market risk peak end-of-day notional capital charges

As at 30/9/2011 (Unaudited)

Interest rate risk

Foreign currency risk

Total

Banking Group	
Implied risk weighted exposure \$000	Notional capital charges \$000
326,375	26,110
26,250	2,100
352,625	28,210

(g) Method for deriving peak end-of-day notional capital charge

The market risk information above has been derived in accordance with the "Capital Adequacy Framework" (Standardised Approach) (BS2A) dated October 2010.

(h) Capital Ratios of overseas banking group - Rabobank Nederland

As at 31 December (Audited)

Tier one capital expressed as a percentage of total risk weighted exposures

Qualifying capital* expressed as a percentage of total risk weighted exposures

Dutch Nederlandsche Bank's minimum ratios :

Tier one capital expressed as a percentage of total risk weighted exposures

Qualifying capital* expressed as a percentage of total risk weighted exposures

	2010 %	2009 %
Tier one capital expressed as a percentage of total risk weighted exposures	15.70%	13.80%
Qualifying capital* expressed as a percentage of total risk weighted exposures	16.30%	14.10%
Dutch Nederlandsche Bank's minimum ratios :		
Tier one capital expressed as a percentage of total risk weighted exposures	4.00%	4.00%
Qualifying capital* expressed as a percentage of total risk weighted exposures	8.00%	8.00%

Minimum Credit Requirements

Rabobank Group is required by the Dutch Nederlandsche Bank to hold minimum capital at least equal to that specified under Basel framework and those requirements imposed on it by the Dutch 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 Dutch Nederlandsche Bank.

18 Additional information for registered bank's overseas banking group

	2010	2009
	EURm	EURm
For the year ended 31 December (audited)		
Net profit after income tax	2,772	2,208
Percentage (on a twelve month rolling basis) of average total assets	0.4%	0.4%
As at 31 December (audited)		
Total assets	652,536	607,483
% change over the previous twelve months	7.4%	(0.7%)

19 Reconciliation of profit after tax to net cash flow from operating activities

	Banking Group		
	Unaudited	Unaudited	Audited
	9 months to	9 months to	Year to
	30/9/2011	30/9/2010	31/12/2010
	\$000	\$000	\$000
Net profit / (loss) after income tax	58,687	46,335	84,797
Non-cash items	64,344	67,864	76,296
Deferrals or accruals of past or future operating cash receipts or payments	(309,044)	(420,269)	(402,901)
Items classified as investing/financing	-	-	-
Net cash flow provided by / (used in) operating activities	(186,013)	(306,070)	(241,808)

20 Related Party Disclosures

The Banking Group consists of RNZL, a wholly owned subsidiary of Rabobank International Holdings B.V. whose ultimate parent is Rabobank Nederland, the Branch which is the New Zealand operations of Rabobank Nederland, RNZHL, DLL, AGCO and RCSL. Dealings with the parent and ultimate controlling entity include funding, deposits and derivative transactions.

(a) Transactions with related parties**Branch****Other related parties**

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

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

For the period 18 February 2008 to 17 February 2010 ("the Second Period"), the obligations of RNZL were guaranteed pursuant to a deed of guarantee dated 6 February 2008 by Rabobank Nederland in favour of the creditors of RNZL (the "Second Guarantee").

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

For the period 18 February 2010 to 17 February 2012 ("the Current Period"), the obligations of RNZL are guaranteed pursuant to a deed of guarantee dated 1 September 2009 by Rabobank Nederland in favour of the creditors of RNZL (the "Current Guarantee").

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

(2) The Banking Group enters into a number of transactions with other related entities within the Rabobank Group. These include funding, deposits and derivative transactions. The amounts of principal and interest due from and due to the parent and ultimate controlling entity are included in the statement of comprehensive income, statement of financial position and the accompanying notes for those balances.

Notes to the Interim Consolidated Financial Statements

RCSL

RCSL held \$280 million capital securities which are debt obligations of Rabobank Nederland. The capital securities currently earn interest of 8.7864% per annum. This rate is fixed until 18 June 2014. The capital securities are not transferable and the scheduled repayment date is 18 June 2039. They are unsecured. All interest payments have been made on the due date and there is no observable data that would indicate that an allowance for impairment is required.

(b) Terms and conditions of transactions with related parties

Except for the guarantees noted in note 20(a) above, all transactions with related parties are made in the ordinary course of business on normal terms and conditions.

(c) Provision for impairment on due from related entities

For the period ended 30 September 2011, the Banking Group has not made any provision for impairment relating to amounts owed by related parties as the payment history has been excellent. An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Banking Group recognises a provision for impairment.

21 Subsequent events

The directors are not aware of any event or circumstances since the end of the financial year not otherwise dealt with in this report that has or may significantly affect the operations of the Banking Group, the results of those operations or the state of affairs of the Banking Group in subsequent financial years.

22 Dividend

No dividend was proposed or paid by the Banking group for 2011 (2010:Nil).

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