

**PRODUCT SUPPLEMENT NO. 2 dated January 3, 2011  
(To Offering Circular dated January 3, 2011)**



**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Utrecht Branch**  
*(a cooperative with limited liability established under the laws of the Netherlands and having its statutory seat in Amsterdam, the Netherlands)*

## **Rabo Notes**

### **Medium-Term Notes**

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*The Medium-Term Notes (the “Notes”) are debt securities issued by the Utrecht Branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative entity established under the laws of the Netherlands with its statutory seat in Amsterdam, the Netherlands (the “Issuer”), and guaranteed by the New York Branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a branch duly licensed in the State of New York (the “Guarantor”). The Notes and the guarantee (the “Guarantee”) represent direct, unsecured and unsubordinated general obligations of the Issuer and the Guarantor, respectively, and will rank pari passu in right of payment with all other such obligations of the Issuer and the Guarantor, respectively, except for obligations of the Issuer and the Guarantor given priority by law.*

*The Notes may be Fixed Rate Notes or Floating Rate Notes with interest payable on the Interest Payment Dates, in each case as described in the accompanying Offering Circular and with specific terms specified in the applicable Terms Supplement.*

*The Notes will mature on the maturity date set forth in the applicable Terms Supplement, subject to adjustments and, if applicable, the right of the Issuer to redeem the Notes prior to the maturity date as described herein or in the applicable Terms Supplement.*

*Unless otherwise specified in the applicable Terms Supplement, the minimum denomination of the Notes (the “Minimum Denomination”) will be \$1,000. The Notes will not be exchanged for or resold in amounts less than the Minimum Denomination, except that any Notes held in excess of the Minimum Denomination may be resold to the Issuer or the Guarantor, or with the Issuer’s prior written consent to any dealer, in integral multiples of \$1,000 thereof, provided that none of the Issuer, the Guarantor or any dealer shall be obligated to repurchase any Notes at any time. The Depository Trust Company (“DTC”) will act as securities depository for the Notes and will record ownership and transfer of the Notes in book-entry form only.*

*The applicable Terms Supplement will describe the specific terms of a series of the Notes to which it relates, including any changes to the terms set forth in this Product Supplement or the accompanying Offering Circular. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Offering Circular or the applicable Terms Supplement.*

*For information regarding the Issuer and the Guarantor, please see the accompanying Offering Circular and documents incorporated therein by reference.*

**Investing in the Notes involves certain risks. See “Risk Factors” beginning on page S-6 herein and any additional Risk Factors described in the applicable Terms Supplement.**

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**THE NOTES AND THE GUARANTEE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF CONTAINED IN SECTION 3(A)(2) OF THE SECURITIES ACT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THE NOTES CONSTITUTE UNCONDITIONAL LIABILITIES OF THE ISSUER, AND THE GUARANTEE CONSTITUTES AN UNCONDITIONAL CONTINGENT OBLIGATION OF THE GUARANTOR. THE NOTES AND THE GUARANTEE ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER U.S. OR DUTCH GOVERNMENTAL OR DEPOSIT INSURANCE AGENCY OR ENTITY.**

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This Product Supplement, the applicable Terms Supplement and the Offering Circular are confidential and are being furnished by the Issuer in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling prospective investors to consider the purchase of the Notes. Any reproduction or distribution of this Product Supplement, the applicable Terms Supplement and/or the Offering Circular, in whole or part, and any disclosure of their contents or use of any information herein or therein for any purpose other than considering an investment in the Notes is prohibited.

Notwithstanding anything to the contrary contained herein, all persons may disclose to any and all persons, without limitation of any kind, the federal, state and local tax treatment of the Notes, any fact relevant to understanding the federal, state and local tax treatment of the Notes and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and that may be relevant to understanding such tax treatment. However, no person may disclose the name of or identifying information with respect to any party identified herein or any pricing term or other nonpublic business or financial information that is unrelated to the purported or claimed federal, state or local tax treatment of the Notes and is not relevant to understanding the purported or claimed federal, state and local tax treatment of the Notes. The distribution of this Product Supplement and the applicable Terms Supplement and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Product Supplement, the related Terms Supplement and the Offering Circular come are required by the Issuer and the Guarantor to inform themselves about and to observe any such restrictions. The Notes offered hereby have not been reviewed, recommended or endorsed by the Securities and Exchange Commission (the “**Commission**”) or any state or foreign securities commission or regulatory authority. Furthermore, the foregoing authorities have not reviewed, confirmed or determined the accuracy or adequacy of this Product Supplement, the applicable Terms Supplement or the accompanying Offering Circular. Any representation to the contrary is a criminal offense.

**This Product Supplement was written in connection with the promotion or marketing of the Notes addressed herein, and it cannot be used by any taxpayer for the purpose of avoiding penalties that may be asserted against the taxpayer under the Internal Revenue Code. Taxpayers should seek their own advice based on their particular circumstances from an independent tax adviser.**

Each purchaser of the Notes of any series will be furnished a copy of this Product Supplement, the applicable Terms Supplement and the Offering Circular and any related amendments or supplements to this Product Supplement, the applicable Terms Supplement and the Offering Circular. By receiving this Product Supplement, the applicable Terms Supplement and the Offering Circular you acknowledge that (i) you have been afforded an opportunity to request from the Issuer and the Guarantor and to review, and have received, all additional information you consider to be necessary to verify the accuracy and completeness of the information herein, (ii) you have not relied on any person other than the Issuer in connection with your investigation of the accuracy of such information or your investment decision and (iii) except as provided pursuant to clause (i) above, no person has been authorized to give any information or to make any representation concerning the Notes of such series other than those contained in this Product Supplement, the applicable Terms Supplement or the Offering Circular and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or the Guarantor.

**All investors should have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of investing in and holding the Notes. Investment in the Notes should be made only by purchasers who are able and prepared to bear the substantial risks of investing therein. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the terms of the Notes and the offering, including the merits and risks involved. By accepting delivery of this Product Supplement, prospective investors will be deemed to have acknowledged the need to conduct their own thorough investigation and to exercise their own due diligence before considering an investment in the Notes.**

## NOTICE TO INVESTORS

EACH PURCHASER WILL BE REQUIRED TO AGREE THAT IT WILL COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE NOTES OR POSSESSES OR DISTRIBUTES THE OFFERING CIRCULAR, THE PRODUCT SUPPLEMENT, THE TERMS SUPPLEMENT OR ANY OFFERING MATERIAL AND WILL OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES AND NEITHER THE ISSUER NOR THE GUARANTOR SHALL HAVE ANY RESPONSIBILITY THEREFOR.

NONE OF THE ISSUER, THE GUARANTOR OR ANY OF THE DEALERS, REPRESENTS THAT THE NOTES MAY AT ANY TIME LAWFULLY BE SOLD IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY JURISDICTION, OR PURSUANT TO ANY EXEMPTION AVAILABLE THEREUNDER OR ASSUMES ANY RESPONSIBILITY FOR FACILITATING SUCH SALE.

EACH PURCHASER WILL BE REQUIRED TO COMPLY WITH SUCH OTHER ADDITIONAL RESTRICTIONS AS THE ISSUER AND THE PURCHASER SHALL AGREE AND AS SHALL BE SET OUT IN THIS PRODUCT SUPPLEMENT AND THE TERMS SUPPLEMENT.

FOR NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B OF THE RSA IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

THE NOTES HAVE NOT BEEN, AND ARE NOT REQUIRED TO BE, REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OR REGISTERED WITH ANY OTHER GOVERNMENTAL AUTHORITY. THE ISSUER IS OFFERING AND SELLING THE NOTES IN RELIANCE ON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) OF THE SECURITIES ACT, WHICH PERMITS BANKS TO OFFER AND SELL THEIR OWN SECURITIES WITHOUT REGISTRATION. THEREFORE, SOME OF THE PROTECTIONS FOR INVESTORS PROVIDED BY THE SECURITIES ACT WILL NOT APPLY TO A PURCHASE OF THE NOTES.

THE NOTES WILL NOT BE ISSUED UNDER A TRUST INDENTURE AND WILL NOT BE SUBJECT TO THE PROVISIONS OF THE TRUST INDENTURE ACT OF 1939. THEREFORE, THE HOLDERS WILL NOT BE ENTITLED TO PROTECTIONS OF THE TRUST INDENTURE ACT.

REFERENCES IN THIS PRODUCT SUPPLEMENT TO THE "ISSUER," "WE," "OUR," OR "US" REFER TO COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., A COOPERATIVE ENTITY ESTABLISHED UNDER THE LAWS OF THE NETHERLANDS WITH ITS STATUTORY SEAT IN AMSTERDAM, THE NETHERLANDS, AND ITS SUBSIDIARIES (UNLESS THE CONTEXT REQUIRES OTHERWISE).

## SUMMARY

*This summary includes questions and answers that highlight selected information from the accompanying Offering Circular and this Product Supplement to help you understand the Notes. You should carefully read the entire Offering Circular, this Product Supplement and the accompanying Terms Supplement to fully understand the terms of the Notes, as well as the principal tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should, in particular, carefully review the section entitled "Risk Factors," which highlights certain risks, to determine whether an investment in the Notes is appropriate for you. All of the information set forth below is qualified in its entirety by the more detailed explanation set forth elsewhere in the Offering Circular and this Product Supplement.*

### Questions and Answers

#### What are the Notes?

The Medium-Term Notes are debt securities issued by the Issuer and guaranteed by the Guarantor. The Notes and the Guarantee will represent direct, unsecured and unsubordinated general obligations of the Issuer and the Guarantor, respectively, and will rank *pari passu* in right of payment with all other such obligations of the Issuer and the Guarantor, respectively, except for such obligations of the Issuer and the Guarantor given priority by law.

#### How will interest on the Notes be calculated?

*Fixed Rate Note.* Fixed Rate Notes will pay interest from the Issue Date (as described in the accompanying Offering Circular) at one or more fixed rates, which will be zero in the case of a zero-coupon Note. Unless otherwise specified in the applicable Terms Supplement, interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

*Floating Rate Note.* Floating Rate Notes will pay interest (if any) from the Issue Date at a rate or interest rate formula, which may be subject to a Maximum Interest Rate and/or a Minimum Interest Rate, based on one or more of the following rates or indices plus or minus a Spread and/or multiplied by a Spread Multiplier:

- CD Rate;
- CMS Rate;
- CMT Rate;
- Commercial Paper Rate;
- CPI;
- 11<sup>th</sup> District Cost of Funds Rate;
- Federal Funds Effective Rate;
- Federal Funds Open Rate;
- EURIBOR;
- LIBOR;
- Prime Rate;
- Treasury Rate; or
- any other base rate, index or indices, interest rate formula or combination of fixed rate and floating rate or inverse floating rate, baskets of any of the aforementioned rates or indices, or any other asset or measure of financial performance as provided in the applicable Terms Supplement.

Interest on each Note (if any) may be paid on monthly, quarterly, semi-annual, annual Interest Payment Dates (as described in the Offering Circular) and/or at maturity, as specified in the applicable Terms Supplement.

### **What will I receive upon maturity of the Notes?**

At maturity, we will pay you 100% of the principal amount of your Notes, plus accrued and unpaid interest (if any).

### **How does the Optional Redemption feature work?**

We may, in our sole discretion, redeem the Notes, in whole or in part (the “**Optional Redemption**”) on a date set forth in the applicable Terms Supplement (the “**Redemption Date**”) upon at least 15 calendar days’ notice to the Holder or Holders of the Notes. If we redeem the Notes on any Redemption Date, we will pay 100% of the principal amount plus accrued and unpaid interest (if any) to each Holder on the Redemption Date, or if such day is not a Business Day (as described in the Offering Circular), the following Business Day. To the extent we exercise our Optional Redemption, each Holder shall receive only 100% of the principal amount plus any accrued and unpaid interest (if any) to the related Redemption Date and shall receive no further payments in respect of the Notes.

### **What about taxes?**

Please read carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in this Product Supplement and any discussion regarding U.S. federal income taxation contained in the applicable Terms Supplement. You should consult your own tax adviser about an investment in any of our Notes in light of your particular tax situation.

### **What about liquidity?**

The Notes are most suitable for purchase and holding until the maturity date. We cannot assure you that a secondary market for the Notes will develop or that, if it develops, such market will prove to be liquid. In addition, the Notes will not be listed on any securities exchange and, while certain dealers may choose to make a market in the Notes for some or all of the period during which the Notes are outstanding, none of us, any of our affiliates nor any dealers are required to make a market or, if they choose to make a market, to continue to maintain such market for the entire period during which the Notes are outstanding. You should understand that any market making price quoted by any dealer will be net of all or a portion of the commission paid to the dealers. Since the liquidity of the Notes may be limited, if you decide to liquidate Notes prior to maturity, you may have to sell the Notes at a substantial discount from the principal amount.

### **Who are the Issuer and the Guarantor?**

The Issuer is the Utrecht Branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a Netherlands cooperative with limited liability and the Guarantor is the New York Branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Under New York law, (a) the Guarantor, as a New York state-licensed branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a Dutch bank, is required to set aside and pledge certain liquid assets equal to a percentage of its liabilities, including the Guarantee, (b) the New York Superintendent of Banks (the “**Superintendent**”) may increase that percentage or take possession of such assets and the rest of the property and business of the Guarantor located in New York for the benefit of the Guarantor’s creditors, including the beneficiaries of the Guarantee, if the financial condition of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. deteriorates or if Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is placed in liquidation or has been declared bankrupt or has become subject to any emergency procedure in the Netherlands or otherwise, and (c) the Superintendent is authorized not to turn over any such assets or other property of the Guarantor to the principal office of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. or any Dutch liquidator or receiver until all of the claims of the creditors of the Guarantor, including the beneficiaries of the Guarantee, have been satisfied and discharged.

Notwithstanding the foregoing, under Dutch law, a branch is not a separate legal entity and, therefore, from a purely Dutch law perspective, the Guarantee provided by the Guarantor for the obligations of the Issuer does not provide a separate means of recourse.

For more details, see “Rabobank Group” in the Offering Circular.

## **RISK FACTORS**

*An investment in the Notes may be subject to a number of risks not associated with similar investments in a conventional debt security. Prospective purchasers should consider carefully all of the information set forth herein, in the Offering Circular and in the applicable Terms Supplement and, in particular, the following risks and the particular risks described in the Offering Circular and in the applicable Terms Supplement in connection with an investment in the Notes.*

### **RISK FACTORS GENERALLY APPLICABLE TO THE NOTES**

#### **The interest rate on your Floating Rate Notes may fluctuate and decrease in the future**

Because the interest rate on Floating Rate Notes may vary from time to time, there will be significant risks not associated with a conventional fixed rate debt security. These risks include fluctuation of the applicable interest rate and the possibility that, in the future, the interest rate on your Notes will decrease and may be zero, subject to any Minimum Interest Rate specified in the applicable Terms Supplement. As a result, the applicable interest and yield rate may be substantially less than the rate of interest that issuers with comparable credit ratings would pay on conventional fixed rate debt securities with a similar term. We have no control over a number of matters that may affect interest and yield rates, including economic, financial, political, regulatory and judicial events that are important in determining the existence, magnitude and longevity of these risks and their results.

If the applicable Terms Supplement specifies that your Floating Rate Notes are subject to a Maximum Interest Rate, the rate of interest that will accrue on the Floating Rate Notes during any Reset Period (as defined below) will never exceed the specified Maximum Interest Rate.

#### **Your principal will be paid back to you only if you hold the Notes to maturity**

You will receive at least 100% of the principal amount of your Notes if you hold your Notes to the Maturity Date (or the Redemption Date, if applicable). Because the Notes are our senior unsecured obligations, payment of any amount at maturity is subject to our ability to pay our obligations as they become due.

#### **Your principal may not be repaid or its repayment may be limited or delayed as a result our insolvency**

If we were to become insolvent, all payments of principal and/or interest owed to you could be limited or delayed. Application of Dutch insolvency law could affect the Issuer's and the Guarantor's ability to make payments on the Notes.

Under New York law, (a) the Guarantor, as a New York state-licensed branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a Dutch bank, is required to set aside and pledge certain liquid assets equal to a percentage of its liabilities, including the Guarantee, (b) the Superintendent may increase that percentage or take possession of such assets and the rest of the property and business of the Guarantor located in New York for the benefit of the Guarantor's creditors, including the beneficiaries of the Guarantee, if the financial condition of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. deteriorates or if Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is placed in liquidation or has been declared bankrupt or become subject to any emergency procedure in the Netherlands or otherwise, and (c) the Superintendent is authorized not to turn over any such assets or other property of the Guarantor to the principal office of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. or any Dutch liquidator or receiver until all of the claims of the creditors of the Guarantor, including the beneficiaries of the Guarantee, have been satisfied and discharged. Although the New York Banking Law provides that the assets of the Guarantor would, in the first instance, be marshaled to pay the claims of creditors of the Guarantor, there can be no assurance that you would receive its full return or that payment would not be delayed because of the Superintendent's possession.

Notwithstanding the foregoing, under Dutch law, a branch is not a separate legal entity and, therefore, from a purely Dutch law perspective, the Guarantee provided by the Guarantor for the obligations of the Issuer does not provide a separate means of recourse.



**The Notes will be unsecured and rank behind any secured creditors to the extent of the value of the collateral securing their claims**

Holders of any secured indebtedness will have claims that are prior to your claims as Holders of the Notes to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of our secured indebtedness will have prior claim to our assets that constitute their collateral. Holders of the Notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the Notes. In that event, because the Notes will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full.

**We are more likely to exercise our Optional Redemption when prevailing interest rates are relatively low**

Unless otherwise specified in the applicable Terms Supplement, the Notes will be subject to our right to redeem the Notes. We are more likely to exercise our Optional Redemption when prevailing interest rates are low relative to the interest rate applicable to the Notes, and you may not be able to reinvest 100% of the principal amount of the Notes plus any accrued and unpaid interest on the related Redemption Date in a comparable security at an effective interest rate as high as the interest rate on the Notes being called. Your ability to realize market value appreciation is limited by our right to redeem the Notes prior to the maturity date. As a result, even if we do not exercise our option to redeem the Notes, our ability to do so may adversely affect the value of your Notes. It will be our sole option whether to redeem your Notes prior to maturity and therefore, the term of your Notes may vary.

**You will not receive interest payments after the Optional Redemption is exercised**

To the extent we exercise our Optional Redemption, you will receive 100% of the principal amount of the Notes plus any accrued and unpaid interest on the related Redemption Date and you will not receive any additional amount or further interest payments after such Redemption Date.

**There can be no assurance that a secondary market will develop for the Notes**

Under normal market conditions, the Notes are most suitable for purchasing and holding to maturity. The Notes of any series will have no established trading market when issued and we cannot assure you that a secondary market for the Notes of such series will develop, or that if it develops, that such secondary market will be liquid. We do not intend to apply for listing of the Notes on any securities exchange, or for trading in the PORTAL or other similar markets. None of us, our affiliates or any other dealer has any obligation to provide a secondary market. Therefore, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary market. In addition, to the extent that the total aggregate principal amount of the Notes being offered is not purchased by investors, one or more of our affiliates or dealers or their affiliates may agree to purchase the unsold portion for investment. As a result, upon completion of the offering, our affiliates may hold a portion of the issued Notes as set forth in the applicable Terms Supplement, and therefore adversely affect the price of the Notes in any secondary market.

There is a higher risk of illiquidity for the Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and significantly more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes.

**The inclusion of commissions in the original issue price is likely to adversely affect secondary market prices of the Notes**

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the dealers are willing to purchase Notes in secondary market transactions will likely be lower than the original issue price, since the original issue price will include, and secondary market prices are likely to exclude, commissions paid with respect to the Notes. In addition, any such prices may differ from values determined by pricing models used by the dealers, as a result of dealer discounts, mark-ups or other transaction costs.

### **The Notes will not be registered or listed**

The Notes and the Guarantee are not registered under the Securities Act or under any state laws. We will offer the Notes of a particular series and the Guarantee pursuant to an exemption from the registration requirements of the Securities Act contained in Section 3(a)(2) of the Securities Act. Neither the SEC nor any state securities commission or regulatory authority has recommended or approved the Notes or the Guarantee, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Product Supplement, the Offering Circular or any Terms Supplement. The Notes will not be listed on an organized securities exchange. This may adversely affect the liquidity and, therefore, the value of the Notes.

### **Neither the Notes nor the Guarantee are insured by the FDIC**

Neither the Notes nor the Guarantee are deposit liabilities of the Issuer or the Guarantor, respectively, and neither the Notes nor the Guarantee or your investment in the Notes are insured by the United States Federal Deposit Insurance Corporation (“**FDIC**”), the Bank Insurance Fund or any U.S. or Dutch governmental or deposit insurance agency.

### **Our credit ratings may affect the value of the Notes**

The long term unsecured debt of the Guarantor is currently rated “Aaa” by Moody’s Investors Service (“**Moody’s**”). Standard & Poor’s Ratings Service, a division of the McGraw-Hill Companies (“**Standard & Poor’s**”) has rated the long term unsecured debt of the Guarantor “AAA.” The rating represents the relevant rating agency’s assessment of the Guarantor’s financial condition and ability to pay its obligations, including its obligation under the Guarantee, and may not reflect the potential impact of all risks relating to the Notes. Consequently, actual or anticipated declines in the Guarantor’s credit ratings may affect the market value of your Notes. There is no guarantee that the rating will remain unchanged during the term of the Notes of any series.

On October 22, 2009, Moody’s affirmed our credit rating but changed the outlook to negative from stable. On December 8, 2009, Standard & Poor’s affirmed our credit rating but changed the outlook to negative from stable. Moody’s and Standard & Poor’s rating outlooks are opinions regarding the likely direction of an issuer’s rating over the medium term. Thus, these negative outlooks indicate that our credit rating may be downgraded in the medium term. There is no guarantee that our rating will remain unchanged during the term of the Notes. In addition, any rating assigned to the long term unsecured debt of the Guarantor does not enhance, affect or address the likely performance of the Notes other than the Guarantor’s ability to meet its obligations.

### **The Calculation Agent may have economic interests adverse to your interests**

Unless otherwise specified in the applicable Terms Supplement, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. will be the Calculation Agent for the Notes. The economic interests of the Calculation Agent and other of our affiliates are potentially adverse to your interests as an investor in the Notes. As Calculation Agent, the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. will determine, as applicable, the interest rate, amount of interest, and additional amount, if any, you will receive at maturity. Determinations made by the Calculation Agent may adversely affect the payout to you. All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on us and each Holder of the Notes. In addition, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. may hedge the Notes. Consequently, in its capacity as the Calculation Agent, it may have economic interests adverse to those of the Holders, including with respect to certain determinations and judgments that it must make.

### **You may not rely on the Issuer, the Guarantor or any of the dealers as to the legality of your acquisition of the Notes**

None of the Issuer, the Guarantor, any of the dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. A prospective purchaser may not rely on the Issuer, the Guarantor, any of the dealers or any of their respective

affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to herein.

**You should determine whether to acquire the Notes based on your own independent review and appropriate professional advice**

Each prospective purchaser of the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

**You may not be able to enforce civil judgments in the Netherlands that you obtain against the Issuer or the Guarantor in U.S. courts**

The Issuer is the Utrecht Branch of a bank formed under the laws of the Netherlands. Its directors and officers reside outside of the United States, principally in the Netherlands. In addition, substantially all of the Issuer's assets are located in the Netherlands. As a result, it will be necessary for you to comply with the law of the Netherlands in order to obtain an enforceable judgment against the Issuer's officers or directors or with respect to its assets, including a judgment to foreclose upon such assets. While the Issuer has consented to have its U.S. agent, Rabo Securities USA, Inc. ("**Rabo Securities**"), accept service of process for any civil action brought against it in the United States in connection with the offer and sale of the Notes in the United States, it may not be possible for you to (i) effect service of process against the Issuer's officers and/or directors and (ii) realize in the United States upon judgments against such persons obtained in such courts predicated upon the civil liabilities of such persons, including any judgments predicated upon the United States federal securities laws, to the extent such judgments exceed such person's United States assets.

**You will not benefit from the floating interest rate determined at any time other than on an interest determination date**

The floating interest rate, and thus the interest payment amount you will receive on the relevant Interest Payment Date will be based only on the floating interest rate on the applicable interest determination date. Therefore, for example, if the floating interest rate dropped precipitously prior to the interest determination date, the interest payment amount for that Reset Period may be significantly less than it would otherwise have been had the floating interest rate been determined on a day prior to such decline in such floating interest rate. Although actual floating interest rate may be higher if determined at other times during the Reset Period than on the interest determination date for that period, you will not benefit from the floating interest rate determined at any time other than on an interest determination date.

**Changes in the calculation methodology of a floating interest rate may adversely affect the value of your Floating Rate Notes**

Each floating interest rate defined herein is calculated and published without regard to the issuer or your Notes. The interest payment amount you receive on each Interest Payment Date and the market value of your Notes may be adversely affected if the methodology used to calculate the floating interest rate specified in the applicable Terms Supplement is altered or if the floating interest rate ceases to be published.

For example, in the first half of 2008, concerns were expressed that some of the member banks recently surveyed by the British Banker's Association ("**BBA**") in connection with the calculation of daily LIBOR rates may have been under-reporting the interbank lending rate applicable to them in order to avoid an appearance of capital insufficiency or adverse reputational or other consequences that may result from reporting higher inter-bank lending rates. If such under-reporting occurred, it may have resulted in the LIBOR rate being artificially low. If such under-reporting in fact still exists or becomes prevalent in the future, and the LIBOR rate is specified as the floating interest rate in the applicable Terms Supplement, then the interest payment amount that you receive on an Interest Payment Date and the market value of your Notes may be adversely affected due to the artificially low floating

interest rate. In addition, in August 2008 the BBA announced that it was changing the LIBOR rate-fixing process by increasing the number of banks surveyed to set LIBOR rates. Previously, the BBA also indicated that it was considering adding a second rate-fixing process for U.S. dollar LIBOR after the U.S. market opening, but after discussion with the member banks, in August 2008, BBA indicated that no such second process would be introduced. The BBA is continuing its consideration of ways to strengthen the oversight of the process and review the composition of the panels of banks surveyed to set LIBOR rate bi-annually. The changes announced by the BBA, or future changes adopted by the BBA, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. Each of the proposed changes to the methodology by which the LIBOR rate is calculated, if implemented, may adversely affect the value of your Notes. As a result, the interest payment amount for your Notes may be significantly less than it would have been had you invested in a conventional fixed rate debt security.

In a similar manner, each floating interest rate defined herein may be subject to various complex and unpredictable distortions. Such distortions may cause the floating interest rate to be artificially high or low. Depending upon the method for calculating the interest payment amount specified in the applicable Terms Supplement, an artificially high or low floating interest rate could adversely affect the interest payment amount that you receive on an Interest Payment Date or the market value of your Notes.

The method by which each floating interest rate will be calculated in the event that the current floating interest rate is no longer available is described in this Product Supplement under “Description of Notes–Floating Rate Notes.” If the floating interest rate is calculated using an alternative method, the interest payment amount you receive on an Interest Payment Date or the market value of your Notes may be adversely affected.

## DESCRIPTION OF THE NOTES

### General

The Notes and the Guarantee will represent direct, unsecured and unsubordinated general obligations of the Issuer and the Guarantor, respectively and will rank *pari passu* in right of payment with all other such obligations of the Issuer and the Guarantor, respectively.

The particular terms of any Notes will be set forth in the applicable Terms Supplement. The terms and conditions set forth in this “Description of the Notes” will apply to each Note, unless otherwise specified herein or in the applicable Terms Supplement and in such Note.

As provided in the Fiscal and Paying Agency Agreement, Deutsche Bank Trust Company Americas will serve as the Fiscal Agent under the Notes.

### *Terms to be Specified in the Terms Supplement of the Notes*

The Terms Supplement relating to each Note will describe the following terms, as applicable:

- the price at which the Note will be issued, expressed as a percentage of the aggregate principal amount thereof (the “**Original Issue Price**”);
- the date on which the Note will be issued (the “**Original Issue Date**”);
- the stated maturity date;
- whether the Note is a Fixed Rate Note or a Floating Rate Note;
- in the case of a Fixed Rate Note, the *per annum* interest rate or rates, if any, or the method of calculating the rate and, the Interest Payment Dates (monthly, quarterly, semi-annually, annually, at maturity or otherwise);
- in the case of a Floating Rate Note:
  - the interest rate basis or bases;
  - the initial interest rate, if any;
  - the interest reset date or dates;
  - the Reset Period or periods;
  - the Interest Payment Date or dates (monthly, quarterly, semi-annually, annually, at maturity or otherwise);
  - the interest determination date or dates;
  - the calculation date or dates;
  - the Maximum Interest Rate, if any;
  - the Minimum Interest Rate, if any;
  - the Spread, if any;
  - the Spread Multiplier, if any;

- any other terms relating to the particular method of calculating the interest rate for the Note and, if so specified in the applicable Terms Supplement, that we may change the Spread and/or Spread Multiplier prior to the stated maturity and, if so, the basis or formula for the change, if any;
- whether the Note is a zero coupon Note and, if so, the yield to maturity;
- whether the Note will be an inflation-protected note;
- the regular record date or dates if other than as set forth below;
- whether the Optional Redemption is applicable and, if so, the provisions relating to the redemption; and
- any other terms on which we will issue the Notes.

*Payment at Maturity*

At maturity, we will pay you 100% of the principal amount of your Notes, plus accrued and unpaid interest (if any).

*Evidence of the Notes*

The Notes will be evidenced by one or more global certificates issued by us, each representing a number of individual Notes. You will not have the right to receive actual possession of security certificates representing any Notes, except under limited circumstances; instead, the Notes will be represented by one or more global certificates which will be deposited with and registered in the name of DTC or its nominee. DTC will act as securities depository for the Notes and will record ownership and transfer of the Notes in book-entry form only. Participants in DTC and other securities intermediaries will record security entitlements in respect of the Notes by individual investors. For more information, see “Provisions Relating to the Notes While in Global Form” in the accompanying Offering Circular.

*Denomination and Minimum Denomination*

The Notes will be denominated in U.S. dollars. Unless otherwise specified in the applicable Terms Supplement, the Minimum Denomination of the Notes will be \$1,000. The Notes will not be exchanged for or resold in amounts less than the Minimum Denomination, except that any Notes held in excess of the Minimum Denomination may be resold to the Issuer or the Guarantor, or with our prior written consent to any dealer, in integral multiples of \$1,000 thereof, provided that none of the Issuer, the Guarantor or any dealer shall be obligated to repurchase any Notes at any time.

**Fixed Rate Notes**

Fixed Rate Notes may bear one or more annual rates of interest during the periods specified in the applicable Terms Supplement. Unless otherwise specified in the applicable Terms Supplement, interest on a Fixed Rate Note will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest payments in respect of the Fixed Rate Notes will equal the amount of interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid or duly made available for payment (or from and including the Issue Date, if no interest has been paid with respect to the applicable Note) to but excluding the related Interest Payment Date, maturity date, redemption date or repayment date, as the case may be.

Unless otherwise specified in the applicable Terms Supplement, the Interest Payment Dates for Fixed Rate Notes will be as follows:

<u>Interest Payments</u>	<u>Interest Payment Dates</u>
Monthly	Fifteenth day of each calendar month or, if not a Business Day, the next succeeding Business Day, commencing the first succeeding calendar month following the month in which the Note is issued.

<b>Interest Payments</b>	<b>Interest Payment Dates</b>
Quarterly	Fifteenth day of every third month or, if not a Business Day, the next succeeding Business Day, commencing in the third succeeding calendar month following the month in which the Note is issued.
Semi-Annual	Fifteenth day of every sixth month or, if not a Business Day, the next succeeding Business Day, commencing in the sixth succeeding calendar month following the month in which the Note is issued.
Annual	Fifteenth day of every twelfth month or, if not a Business Day, the next succeeding Business Day, commencing in the twelfth succeeding calendar month following the month in which the Note is issued.

Unless otherwise specified in the applicable Terms Supplement, the regular record date with respect to any Interest Payment Date will be the date 15 calendar days prior to such Interest Payment Date, whether or not such date is a Business Day. If the Interest Payment Date or maturity date for any Fixed Rate Note is not a Business Day, all payments to be made on that day with respect to the Note will be made on the next day that is a Business Day with the same force and effect as if made on the due date, and no additional interest will be payable as a result of the delayed payment.

### **Floating Rate Notes**

Unless otherwise specified in the applicable Terms Supplement, each Floating Rate Note will bear interest at a rate determined by reference to an interest rate or interest rate formula, referred to in this Product Supplement as the “**Base Rate**,” which may be adjusted by adding to or subtracting from the base rate a fixed number of basis points, referred to as the “**Spread**,” and/or by multiplying the base rate by a fixed interest factor, referred to as the “**Spread Multiplier**,” each as further described below. Interest payments in respect of the Floating Rate Notes will equal the amount of interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid or duly made available for payment (or from and including the Original Issue Date, if no interest has been paid with respect to the applicable Note) to but excluding the related Interest Payment Date, maturity date, redemption date or repayment date, as the case may be. In addition, the interest rate on Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States Federal law of general application.

The applicable Terms Supplement will designate one or more of the following base rates as applicable to each Floating Rate Note:

- the Certificate of Deposit Rate (a “**CD Rate Note**”);
- the Constant Maturity Swap Rate (a “**CMS Rate Note**”);
- the Constant Maturity Treasury Rate (a “**CMT Rate Note**”);
- the Commercial Paper Rate (a “**Commercial Paper Rate Note**”);
- the Consumer Price Index (a “**CPI Floating Rate Note**”);
- the 11<sup>th</sup> District Cost of Funds Rate (an “**11<sup>th</sup> District Cost of Funds Note**”);
- the Federal Funds Effective Rate (a “**Federal Funds Effective Rate Note**”);
- the Federal Funds Open Rate (a “**Federal Funds Open Rate Note**”);
- the Euro Interbank Offered Rate (a “**EURIBOR Note**”);
- London Interbank Offered Rate (a “**LIBOR Note**”);

- the Prime Rate (a “**Prime Rate Note**”);
- the Treasury Rate (a “**Treasury Rate Note**”); or
- any other base rate or interest rate formula as is set forth in that Terms Supplement and in the Floating Rate Note.

The rate derived from the applicable interest rate basis will be determined in accordance with the related provisions below. The interest rate in effect on each day will be based on:

- if that day is an Interest Reset Date (as defined below), the rate determined as of the Interest Determination Date (as defined below) immediately preceding that Interest Reset Date; or
- if that day is not an Interest Reset Date, the rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date.

The “**Spread**” is the number of basis points to be added to or subtracted from the related interest rate basis or bases applicable to a Floating Rate Note. The “**Spread Multiplier**” is the percentage of the related interest rate basis or bases applicable to a Floating Rate Note by which the interest rate basis or bases will be multiplied to determine the applicable interest rate. The “**Index Maturity**” is the period to maturity of the instrument or obligation with respect to which the related interest rate basis or bases will be calculated.

Unless a Floating Rate Note is designated as a Floating Rate/Fixed Rate Note or an inverse Floating Rate Note, or as having an addendum attached or having other/additional provisions apply, in each case relating to a different interest rate formula, the particular Floating Rate Note will be a regular Floating Rate Note, and will bear interest at the rate determined by reference to the applicable interest rate basis or bases:

- plus or minus the applicable Spread, if any;
- multiplied by the applicable Spread Multiplier, if any; or
- if both a Spread and a Spread Multiplier applies, multiplied by the applicable Spread Multiplier, and then plus or minus the applicable Spread.

Commencing on the first Interest Reset Date, the rate at which interest on a regular Floating Rate Note is payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the initial interest rate.

#### *Floating Rate/Fixed Rate Notes*

If a Floating Rate Note is designated as a Floating Rate/Fixed Rate Note, and unless otherwise specified in the applicable Terms Supplement, the particular Floating Rate Note will bear interest at the rate determined by reference to the applicable interest rate basis or bases:

- plus or minus the applicable Spread, if any;
- multiplied by the applicable Spread Multiplier, if any; or
- if both a Spread and a Spread Multiplier applies, multiplied by the applicable Spread Multiplier, and then plus or minus the applicable Spread.

Commencing on the first Interest Reset Date, the rate at which interest on a Floating Rate/Fixed Rate Note is payable will be reset as of each Interest Reset Date; provided, however, that:

- the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the initial interest rate; and



- the interest rate in effect commencing on the fixed rate commencement date will be the fixed interest rate, if specified in the applicable Terms Supplement, or, if not so specified, the interest rate in effect on the day immediately preceding the fixed rate commencement date.

*Fixed Rate/Floating Rate Notes*

If a Floating Rate Note is designated as a Fixed Rate/Floating Rate, and unless otherwise specified in the applicable Terms Supplement, the particular Floating Rate Note will bear interest at the fixed interest rate specified in the applicable Terms Supplement. Commencing on the floating rate commencement date and on each Interest Reset Date thereafter, the Floating Rate Note will bear interest at the rate determined by reference to the applicable interest rate basis or bases:

- plus or minus the applicable Spread, if any;
- multiplied by the applicable Spread Multiplier, if any; or
- if both a Spread and a Spread Multiplier applies, multiplied by the applicable Spread Multiplier, and then plus or minus the applicable Spread.

*Inverse Floating Rate Notes*

If a Floating Rate Note is designated as an “**Inverse Floating Rate Note**,” and unless otherwise specified in the applicable Terms Supplement, the particular Floating Rate Note will bear interest at the fixed interest rate, minus the rate determined by reference to the applicable interest rate basis or bases multiplied by the applicable Spread Multiplier, if any; provided, however, that interest on an Inverse Floating Rate Note will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on an Inverse Floating Rate Note is payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the date of issue to the first Interest Reset Date will be the initial interest rate.

*Calculation Agent*

We will appoint a calculation agent (the “**Calculation Agent**”) to calculate interest rates on Floating Rate Notes. Unless otherwise specified in the applicable Terms Supplement, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. will act as the Calculation Agent for each Floating Rate Note. All determinations to be made by the Calculation Agent will be at its sole discretion and will, in the absence of manifest error, be conclusive for all purposes and binding on the Holders of the Notes.

The interest rate applicable to each interest Reset Period will be determined by the Calculation Agent on the Calculation Date (as defined below), except with respect to LIBOR, which will be determined on the particular interest determination date. Upon request of the registered Holder of a Floating Rate Note, the Calculation Agent will disclose the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to the particular Floating Rate Note. The “**Calculation Date**,” if applicable, pertaining to any Interest Determination Date will be the earlier of:

- the tenth calendar day after the particular interest determination date or, if such day is not a Business Day, the next succeeding Business Day; and
- the Business Day immediately preceding the applicable Interest Payment Date or the maturity, as the case may be.

*Maximum and Minimum Interest Rates*

Any Floating Rate Note may also have either or both of the following:

- a maximum numerical interest rate limitation, or ceiling, on the rate of interest that may accrue during any Reset Period (“**Maximum Interest Rate**”).

- a minimum numerical interest rate limitation, or floor, on the rate of interest that may accrue during any Reset Period (“**Minimum Interest Rate**”).

The interest rate on any Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to Notes in which \$2,500,000 or more has been invested, including Notes purchased by an agent or agents in such aggregate principal amount or more for resale to investors.

All fractional numbers resulting from any calculation relating to a note will be rounded nearest eight decimal places with five one-billionths rounded upward, (e.g. .098765545 being rounded up to .09876555). All amounts used in or resulting from any calculation relating to a note will be rounded to the nearest cent, in the case of U.S. dollars, the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, or to the nearest one hundred-thousandth of a unit, in the case of a currency exchange rate, with one-half cent, one-half of a corresponding hundredth of a unit or one-half of a hundred-thousandth of a unit or more being rounded upward.

#### *Interest Reset Dates*

Each Floating Rate Note will bear interest from, and including, its Original Issue Date to, but excluding, the first Interest Reset Date for the Note at the initial interest rate set forth on the face of the Note and in the applicable Terms Supplement. Thereafter, the interest rate on each Floating Rate Note for each Reset Period (as described below) will be equal to the interest rate calculated by reference to the base rate (*i.e.*, the interest rate basis by reference to which the interest rate is determined) specified on the face of the Note and in the applicable Terms Supplement plus or minus the Spread, if any, and/or times the Spread Multiplier, if any. The Spread and/or Spread Multiplier for a Floating Rate Note may be subject to adjustment during a Reset Period under circumstances specified in the Note and in the applicable Terms Supplement.

The interest rate on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified on the face of the Note and in the applicable Terms Supplement (the “**Reset Period**”). The first day of each Reset Period is referred to in this Product Supplement as an “**Interest Reset Date.**” Unless otherwise specified in the applicable Terms Supplement, the Interest Reset Dates will be:

<b>Reset Period</b>	<b>Interest Reset Dates</b>
Daily	Each Business Day.
Weekly	Wednesday of each week; except that in the case of Treasury Rate Notes that reset weekly, the Interest Reset Date will be Tuesday of each week.
Monthly	The 15 <sup>th</sup> day of each month.
Quarterly	The 15 <sup>th</sup> day of the four specified months of each year.
Semi-Annual	The 15 <sup>th</sup> day of the two specified months of each year.
Annual	The 15 <sup>th</sup> day of the specified month of each year.

The interest rate with respect to Floating Rate/Fixed Rate Notes will be determined by reference to the applicable floating rate prior to the applicable fixed rate commencement date and will remain at the applicable fixed rate or rates thereafter.

If an Interest Reset Date for a Floating Rate Note would otherwise be a day that is not a Business Day, the Interest Reset Date for that Floating Rate Note will be postponed to the next day that is a Business Day, except that, in the case of a LIBOR Note, if that Business Day is a day in the next succeeding calendar month, the Interest Reset Date will be the immediately preceding London Business Day. As used in this Product Supplement, a “**London Business Day**” means a day on which dealings in deposits in the Designated LIBOR Currency (as defined below) are transacted in the London interbank market. Each adjusted rate will be applicable on and after the Interest Reset Date to which it relates to, but not including, the next succeeding Interest Reset Date or to maturity.

### *Interest Determination Date*

The interest rate for each Reset Period will be the rate determined by the Calculation Agent as of the Calculation Date pertaining to the Interest Determination Date that relates to the Interest Reset Date for such Reset Period. Unless otherwise specified in the applicable Terms Supplement, the “**Interest Determination Date**” for a Reset Period is the day the Calculation Agent will refer to when determining the new interest rate at which a floating rate will reset, and will be as follows:

<u>Type of Note</u>	<u>Interest Determination Dates</u>
CD Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
CMS Rate Note	The second U.S. Government Securities Business Day (as described below) preceding the Interest Reset Date.
CMT Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
Commercial Paper Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
CPI Floating Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
11 <sup>th</sup> District Cost of Funds Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
Federal Funds Effective Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
Federal Funds Open Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
EURIBOR Note	The second Euro Business Day immediately preceding the Interest Reset Date that commences the subsequent Reset Period. As used in this Product Supplement, “ <b>Euro Business Day</b> ” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.
LIBOR Note	The second London Business Day immediately preceding the Interest Reset Date that commences the subsequent Reset Period.
Prime Rate Note	The same day as the Interest Reset Date that commences the subsequent Reset Period.
Treasury Rate Note	The day on which Treasury bills would normally be auctioned of the week in which the Interest Reset Date that commences the Reset Period falls. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on Tuesday, except that such auction may be held on the preceding Friday. If, as a result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Reset Period commencing in the next succeeding week.

The Interest Determination Date relating to a Floating Rate Note with an interest rate that is determined by reference to two or more interest rate bases will be the most recent Business Day that is at least two Business Days preceding the applicable Interest Reset Date for each interest rate for the applicable Floating Rate Note on which each interest rate basis is determinable.

### *Interest Payments*

Except as provided below or in the applicable Terms Supplement, interest on Floating Rate Notes will be payable on the “**Interest Payment Dates**” as follows and in each case at maturity:

<u>Reset Period</u>	<u>Interest Payment Dates</u>
Daily	Either monthly, on the 15th day of each month, or quarterly, on the 15th day of the four specified months of each year, as specified in the applicable Terms Supplement;
Weekly	Either monthly, on the 15th day of each month, or quarterly, on the 15th day of the four specified months of each year, as specified in the applicable Terms Supplement;
Monthly	Either monthly, on the 15th day of each month, or quarterly, on the 15th day of the four specified months of each year, as specified in the applicable Terms Supplement;
Quarterly	The 15th day of each of the four specified months of each year, beginning in the specified month immediately following the date the Note was issued;
Semi-Annual	The 15th day of each of the two specified months of each year, beginning in the specified month immediately following the date the Note was issued;
Annual	The 15th day of the specified month of each year, beginning in the specified month immediately following the date the Note was issued;

If any Interest Payment Date, other than at maturity, for any Floating Rate Note is not a Business Day for the Floating Rate Note, the Interest Payment Date will be postponed to the next day that is a Business Day for the Floating Rate Note, except that in the case of a LIBOR Note, if the Business Day for the Floating Rate Note is in the next succeeding calendar month, the Interest Payment Date will be the immediately preceding Business Day. If the maturity for any Floating Rate Note falls on a day that is not a Business Day, all payments to be made on the day with respect to the Note will be made on the next day that is a Business Day with the same force and effect as if made on the due date, and no additional interest will be payable on the date of payment for the period from and after the due date as a result of the delayed payment.

Accrued interest is calculated by multiplying the face amount of a Note by an accrued interest factor. Unless otherwise specified in the applicable Terms Supplement, the accrued interest factor will be computed by adding the interest factors calculated for each day from the Original Issue Date, or from the last date to which interest has been paid or duly provided for, to but excluding the date for which accrued interest is being calculated. Unless otherwise specified in the Terms Supplement, the interest factor for each such day will be computed by dividing the interest rate applicable to that date by 360, in the case of CD Rate Notes, CMS Rate Notes, Commercial Paper Rate Notes, CPI Floating Rate Notes, 11<sup>th</sup> District Cost of Funds Rate Notes, Federal Funds Effective Rate Notes, Federal Funds Open Rate Notes, Prime Rate Notes and LIBOR Notes, or by the actual number of days in the year, in the case of CMT Rate Notes and Treasury Rate Notes. The interest factor for Floating Rate Notes as to which the interest rate is calculated with reference to two or more interest rate bases will be calculated in each period in the same manner as if only the applicable interest rate basis specified in the applicable Terms Supplement applied.

The Calculation Agent will, upon the request of the Holder of any Floating Rate Note, provide the interest rate then in effect and, if different, the interest rate that will become effective as a result of a determination made on the most recent Interest Determination Date with respect to the Note.

#### *CD Rate*

Each CD Rate Note will bear interest at the interest rate (calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any) specified in such CD Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**CD Rate**” means, with respect to any CD Rate Interest Determination Date, the rate on such date for negotiable certificates of deposit having the Index Maturity specified in such CD Rate Note, as published by the Board of Governors of the Federal Reserve System in

“Statistical Release H.15(519), Selected Interest Rates”, or any successor publication (“**H.15(519)**”), under the heading “CDs (Secondary Market)”. If such rate is not so published by 3:00 P.M., New York City time on the Calculation Date pertaining to such CD Rate Interest Determination Date, the CD Rate shall be the rate on such CD Rate Interest Determination Date for negotiable certificates of deposit of the Index Maturity designated in the CD Rate Notes as published by the Federal Reserve Bank of New York in its daily statistical release “Composite 3:30 P.M. Quotations for U.S. Government Securities” (“**Composite Quotations**”) under the heading “Certificates of Deposit.” If, by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in Composite Quotations, the CD Rate on such CD Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three major U.S. money market banks in the market for negotiable certificates of deposit, selected by the Calculation Agent, with a remaining maturity closest to the Index Maturity designated in such CD Rate Note in a denomination of \$1,000,000; provided, however, that if the banks are not quoting as specified in this sentence, the CD Rate shall be the CD Rate in effect immediately prior to such CD Interest Determination Date.

#### *CMS Rate*

Each CMS Rate Note will bear interest at the interest rate (calculated with reference to the CMS Rate and the Spread and/or Spread Multiplier, if any) specified in such CMS Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**CMS Rate**” means, with respect to any CMS Interest Determination Date, the rate displayed in the Reuters Page TGM42276 (as described below).

- The “**Reuters Page TGM42276 Swap Rate**” shall be the rate displayed on the Reuters Page TGM42276 (or any other page as may replace such page on that service or any successor service, for the purpose of displaying the Constant Maturity Swap rate) by 11:00 A.M., New York City time, on the CMS Rate Calculation Date (as described below) pertaining to the CMS Rate Determination Date under the heading (or any successor heading) “RATES AS AT 11:00 EST” under the column for the Index Maturity specified in the applicable Terms Supplement for such CMS Rate Determination Date.
- If the above rate is no longer displayed on the relevant page, or if not displayed by 11:00 A.M., New York City time, on the CMS Rate Calculation Date, then the CMS Rate will be the rate for U.S. dollar swaps with a maturity of the Index Maturity designated in the applicable Terms Supplement, expressed as a percentage, which appears on the Reuters Screen ISDAFIX1 Page as of 11:00 A.M., New York City time, on the CMS Rate Calculation Date.
- If that information is no longer displayed by 11:00 A.M., New York City time, on the CMS Rate Calculation Date, then the CMS Rate will be a percentage determined on the basis of the mid-market semi-annual swap rate quotations provided by five leading swap dealers in the New York City interbank market at approximately 11:00 A.M., New York City time, on the CMS Rate Calculation Date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Index Maturity designated in the applicable Terms Supplement commencing on that CMS Rate Determination Date with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/ 360 day count basis, is equivalent to “LIBOR Reuters” with a maturity of three months. The Calculation Agent will select the five swap dealers after consultation with the securities depository for the Notes and will request the principal New York City office of each of those dealers to provide a quotation of its rate. If at least three quotations are provided, the CMS Rate for that CMS Rate Determination Date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations. If fewer than three swap dealers selected by the Calculation Agent are quoting as described above, the CMS Rate will be the CMS Rate in effect on that CMS Rate Determination Date or, if that CMS Rate Determination Date is the first CMS Rate Determination Date, the initial rate.
- “**CMS Rate Calculation Date**” pertaining to any CMS Rate Determination Date shall be the next succeeding Business Day.

- “**Reuters Screen ISDAFIX1 Page**” means the display on Reuters page (or any successor services) “ISDAFIX1” (or any other page as may replace that page on that service) for the purpose of displaying rates or prices comparable to that floating rate payment).
- “**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income department of its members be closed for the entire day for purposes of trading in U.S. government securities.

*CMT Rate*

Each CMT Rate Note will bear interest at the interest rate (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in such CMT Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**CMT Rate**” means, with respect to any CMT Interest Determination Date, the rate displayed on the designated CMT Reuters page under the column for the designated CMT maturity index (as defined below) in the following manner:

- If the Designated CMT Reuters page (as defined below) is FRBCMT, the CMT Rate will be the rate displayed on the CMT Interest Determination Date.
- If the Designated CMT Reuters page (as defined below) is FEDCMT, the CMT Rate will be the average for the week or for the month, as specified in the applicable Terms Supplement, ended immediately preceding the week or month, as applicable, in which the related CMT Interest Determination Date occurs.
- If no Designated CMT Reuters page is specified in the applicable Terms Supplement, the Designated CMT Reuters page will be FEDCMT for the most recent week.

If no rate appears on the Designated CMT Reuters page as indicated above, the following procedures will be followed in the order set forth below:

(1) If the rate is no longer displayed on the relevant page or is not displayed by 3:30 P.M. New York City time on the related Calculation Date, then the CMT Rate for the CMT Interest Determination Date will be the Treasury constant maturity rate for the designated CMT maturity index as published in the relevant Federal Reserve Statistical Release H.15(519) or another recognized electronic source for displaying the rate.

(2) If this rate is no longer published or is not published by 3:30 P.M. New York City time on the related Calculation Date, then the CMT Rate on the CMT Interest Determination Date will be the Treasury constant maturity rate for the designated CMT maturity index as of the CMT Interest Determination Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury.

(3) If the rate cannot be determined on the related Calculation Date in accordance with the foregoing provisions, then the Calculation Agent will calculate the CMT Rate on the CMT Interest Determination Date as follows:

- The CMT Rate will be a yield to maturity based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Interest Determination Date, reported, according to their written records, by three leading U.S. government securities dealers in New York City, for Treasury securities. The Treasury securities will be the most recently issued direct non-callable fixed rate obligations of the United States Treasury (“**Treasury Notes**”), with an original maturity of approximately the designated CMT maturity index and a remaining term to maturity of not less than the designated CMT maturity index minus one year in a Representative Amount (as defined below). If two Treasury Notes with an original maturity as described above have remaining terms to maturity equally close to the designated CMT maturity index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

- The three government securities dealers referenced above will be identified from five such dealers who are selected by the Calculation Agent, one of which may be an agent in the offering of the CMT Rate Note, by eliminating the dealers with the highest and lowest quotations, or in the event of equality of the quotations, one of the highest and/or lowest quotations.
- If only three or four dealers provide quotations, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated.

(4) If the Calculation Agent is unable to obtain at least three Treasury Notes quotations as described in (3) above, the CMT Rate on the CMT Interest Determination Date will be calculated by the Calculation Agent based on offer prices for certain alternative Treasury Notes as follows:

- The rate will be a yield to maturity based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M. New York City time on the CMT Interest Determination Date reported, according to their written records, by three leading U.S. government securities dealers in New York City, for Treasury Notes with an original maturity of the number of years that is the next highest to the designated CMT maturity index and a remaining maturity closest to the Index Maturity specified in the applicable Terms Supplement, and in a Representative Amount (as defined below).
- If two Treasury Notes with an original maturity, as described above, have remaining terms to maturity equally close to the designated CMT maturity index, the Calculation Agent will obtain quotations for the Treasury Notes with the shorter remaining term to maturity and will use those quotations to calculate the CMT Rate as set forth above.
- The three government securities dealers referenced above will be identified from five such dealers who are selected by the Calculation Agent, one of which may be an agent in the offering of the CMT Rate Note, by eliminating the dealers with the highest and lowest quotations, or in the event of equality, one of the highest and/or lowest quotations.
- If only three or four dealers provide quotations, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest quotes will be eliminated.

(5) If fewer than three dealers selected by the Calculation Agent provide quotations as described in (4) above, the CMT Rate determined as of the CMT Interest Determination Date will be the CMT Rate determined by the Calculation Agent acting in good faith in light of the commercial circumstances.

**“Designated CMT Reuters page”** means the display on the Reuters service, or any successor service on the page specified in the applicable Terms Supplement, or any other page as may replace such page on that service, or any successor service, for the purpose of displaying Treasury Constant Maturities as reported in Federal Reserve Statistical Release H.15(519).

**“Designated CMT maturity index”** means the original period to maturity of the U.S. Treasury securities, specified in the applicable Terms Supplement for which the CMT Rate will be calculated. As of the date of this Product Supplement, these periods can be one, three or six months or one, two, three, five, seven, ten, twenty or thirty years. If no such maturity is specified in the applicable Terms Supplement, the designated CMT maturity index will be two years.

**“Representative Amount”** means an amount determined by the Calculation Agent that is representative for a single transaction in the relevant market at the relevant time.

The CMT Rate for a U.S. Treasury security maturity as published as of any Business Day is intended to be indicative of the yield of a U.S. Treasury security having as of that Business Day a remaining term to maturity equivalent to its maturity. The CMT Rate as of any Business Day is based upon an interpolation by the U.S. Treasury of the daily yield curve of outstanding U.S. Treasury securities. This yield curve, which relates the yield on a U.S. Treasury security to its time to maturity, is based on the over-the-counter market bid yields on actively-traded U.S. Treasury securities. Such yields are calculated from composites of quotations reported by leading U.S.

government securities dealers, which may include the Calculation Agent and one or more affiliates of the agents. Certain constant maturity yield values are read from the yield curve. Interpolation from the yield curve provides a theoretical yield for a U.S. Treasury security having ten years to maturity, for example, even if no outstanding U.S. Treasury security has as of that date exactly ten years remaining to maturity.

The information relating to the CMT Rate in this Product Supplement is derived from public sources. Neither we nor the Calculation Agent has independently verified any such information. Neither we nor the Calculation Agent shall have any responsibility for any error or omissions in the calculation and publication of the CMT Rate.

#### *Commercial Paper Rate*

Each Commercial Paper Rate Note will bear interest at the interest rate (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in such Commercial Paper Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**Commercial Paper Rate**” means, with respect to any Commercial Paper Interest Determination Date, the Money Market Yield (calculated as specified below) in respect of the discount rate on that date for commercial paper having the Index Maturity specified in such Commercial Paper Rate Note as published in H.15(519) under the heading “Commercial Paper.” If such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Commercial Paper Interest Determination Date, the Commercial Paper Rate shall be the Money Market Yield in respect of the discount rate on that Commercial Paper Interest Determination Date for commercial paper having the Index Maturity specified in the Commercial Paper Rate Note as published in Composite Quotations under the heading “Commercial Paper.” If by 3:00 P.M., New York City time, on such Calculation Date such discount rate is not yet published in Composite Quotations, the Commercial Paper Rate for that Commercial Paper Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield in respect of the arithmetic mean of the offered discount rates of three leading dealers of commercial paper in New York, New York selected by the Calculation Agent (after consultation with the Branch) as of 11:00 A.M., New York City time, on that Commercial Paper Interest Determination Date for commercial paper having the Index Maturity specified in the Commercial Paper Rate Note and placed for an industrial issuer whose bond rating is “AA,” or the equivalent from a nationally recognized statistical rating agency; provided, however, that if the dealers selected by the Calculation Agent are not quoting such rates, the Commercial Paper Rate shall be the Commercial Paper Rate in effect immediately prior to such Commercial Paper Interest Determination Date.

“Money Market Yield” shall be a yield (expressed as a percentage rounded, if necessary, to the nearest one hundred-thousandth of a percent, with five millionths of a percent rounded upwards) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and “M” refers to the actual number of days in the interest period for which interest is being calculated.

#### *CPI Floating Rate*

Each CPI Floating Rate Note will bear interest at the interest rate calculated by reference to the formulas set out below which include a Spread and/or Spread Multiplier, as specified in the applicable Terms Supplement.

The CPI Floating Rate Notes are Floating Rate Notes paying an interest rate linked to changes in the CPI. The “**CPI**” is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (“**BLS**”) and reported on Bloomberg page CPURNSA or any successor service to Bloomberg. You should read “Public Information Regarding the CPI” elsewhere in this Product Supplement for additional information regarding the CPI. The historical levels of the CPI from January 2001 to November 2010 are set forth under the heading “Public



Information Regarding the CPI – Historical Information” elsewhere in this Product Supplement. Historical levels of the CPI, however, are not necessarily indicative of future levels of the CPI.

Unless otherwise specified in the applicable Terms Supplement, interest will accrue on the CPI Floating Rate Notes at a floating rate linked to the CPI as described below. The floating rate will never be less than zero percent per annum, regardless of changes in the CPI. However, because the floating rate is tied to changes in the CPI, investors in CPI Floating Rate Notes bear the risk that the floating rate in any Reset Period could be as low as zero percent. Interest on any Interest Payment Date is payable in arrears and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

There are two types of CPI Floating Rate Notes: “additive CPI Floating Rate Notes” and “multiplicative CPI Floating Rate Notes”.

- For additive CPI Floating Rate Notes, the interest rate is calculated in accordance with the following formula:

$$\text{Interest Rate} = \frac{\text{CPI}_t - \text{CPI}_{t-12}}{\text{CPI}_{t-12}} + \text{Spread}$$

The inclusion of the Spread in the interest rate equation allows the investor to receive additional interest, if any, equal to the Spread per annum above the year-over-year percentage change in the  $\text{CPI}_t$  compared to the  $\text{CPI}_{t-12}$ , in respect of any Reset Period.

- For multiplicative CPI Floating Rate Notes, the interest rate is calculated in accordance with the following formula:

$$\text{Interest Rate} = \frac{\text{CPI}_t - \text{CPI}_{t-12}}{\text{CPI}_{t-12}} \times \text{Spread Multiplier}$$

The Spread Multiplier in the interest rate equation represents the leverage component of the CPI Floating Rate Notes. The year-over-year CPI component must be positive in order to receive any interest. In addition, only when the Spread Multiplier is greater than one is it possible for an investor to receive an enhanced return relative to the year-over-year increase in CPI, if any, on the CPI Floating Rate Notes in respect of any Reset Period.

In each case the terms below will have the following meanings:

$\text{CPI}_t$  = CPI for the third calendar month prior to the calendar month of the applicable Interest Payment Date, as reported on Bloomberg page CPURNSA or any successor service, which third calendar month we refer to as the reference month; and

$\text{CPI}_{t-12}$  = CPI for the twelfth month prior to the applicable reference month, as reported on Bloomberg page CPURNSA or any successor service.

Formulas for both the additive CPI Floating Rate Notes and the multiplicative CPI Floating Rate Notes are based on the year-over-year percentage change in CPI with a three month lag which accommodates the publishing cycle of the BLS.

The Calculation Agent will determine the applicable CPI on each Interest Reset Date and the floating interest rate.

If, while the CPI Floating Rate Notes are outstanding, the CPI is not published because it has been discontinued or has been substantially altered, an applicable substitute index will be chosen to replace the CPI for purposes of determining interest on the CPI Floating Rate Notes. The applicable index will be that chosen by the Secretary of the Treasury for the Department of the Treasury’s Inflation-Linked Treasuries as described at 62 Federal Register

846-874 (January 6, 1997) or, if no such securities are outstanding, the substitute index will be determined by the Calculation Agent in good faith and in accordance with general market practice at the time.

#### *Public Information Regarding the CPI*

The consumer price index for all urban consumers, or the CPI, is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Customers published monthly by the BLS. The BLS makes available almost all consumer price index data and press releases immediately at the time of release. This material may be accessed electronically by means of the BLS' home page or on Bloomberg page CPURNSA or any successor service to Bloomberg.

According to the publicly-available information provided by the BLS, the consumer price index is a measure of the average change in prices over time of goods and services purchased by households. The CPI covers households of wage earners, clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force. The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from housing units and retail establishments – department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of fuels and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits or telephone calls of the BLS' trained representatives. In calculating the index, price changes for the various items in each location are averaged together with weights, which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. The index measures price change from a designed reference base, which is 1982-84, for which the CPI equals 100. An increase of 16.5 percent from the reference base, for example, is shown as 116.5.

The BLS has made numerous technical and methodological changes to the consumer price index over the last 25 years, and it is likely to continue to do so. Examples of recent methodological changes include:

- the use of regression models to adjust for the quality improvements in various goods (televisions, personal computers, etc.);
- the introduction of geometric averages to account for consumer substitution within consumer price index categories; and
- changing the housing/shelter formula to improve rental equivalence estimation.

These changes and any future changes could reduce the level of the consumer price index and therefore lower the interest payable on the CPI Floating Rate Notes.

The BLS occasionally rebases the consumer price index. The current standard reference base period is 1982-1984 = 100. The consumer price index was last rebased in May 1988. Prior to the release of the consumer price index for May 1988, the standard reference base was 1967 = 100. If the BLS rebases the consumer price index during the time the CPI Floating Rate Notes are outstanding, the Calculation Agent will continue to calculate inflation using the existing base year in effect for the consumer price index at the time of issuance of the CPI Floating Rate Notes as long as the old consumer price index is still published. The conversion to a new reference base does not affect the measurement of the percent changes in a given index series from one time period to another, except for rounding differences. Thus, rebasing might affect the published "headline" number often quoted in the financial press; however, the inflation calculation for the CPI Floating Rate Notes should not be adversely affected by any such rebasing because the old-based consumer price index can be calculated by using the percent changes of the new rebased consumer price index to calculate the levels of the old consumer price index (because the two series should have the same percent changes).

### *Historical Information*

Provided below are historical levels of the CPI as reported by the BLS for the period from January 2001 to November 2010. We obtained the historical information included below from Bloomberg Financial Markets without independent verification and we believe such information to be accurate.

The historical levels of the CPI should not be taken as an indication of future levels of the CPI. No assurance can be given as to the level of the CPI for any future month. The CPI may not increase or decrease in the future in accordance with any of the trends depicted by the historical information in the table below. Moreover, the size and frequency of any fluctuations in the CPI level in the future may be significantly different from those indicated in the table.

**You cannot predict the future performance of the CPI Floating Rate Notes or Inflation Linked Notes or of the CPI based on the historical levels of the CPI.**

The following table sets forth the CPI from January 2001 to November 2010, as reported by the BLS.

<b>Month</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
January.....	216.7	211.1	211.1	202.4	198.3	190.7	185.2	181.7	177.1	175.1
February.....	216.7	212.2	211.7	203.5	198.7	191.8	186.2	183.1	177.8	175.8
March.....	217.6	212.7	213.5	205.4	199.8	193.3	187.4	184.2	178.8	176.2
April.....	218.0	213.2	214.8	206.7	201.5	194.6	188.0	183.8	179.8	176.9
May.....	218.2	213.9	216.6	207.9	202.5	194.4	189.1	183.5	179.8	177.7
June.....	218.0	215.7	218.8	208.4	202.9	194.5	189.7	183.7	179.9	178.0
July.....	218.0	215.4	220.0	208.3	203.5	195.4	189.4	183.9	180.1	177.5
August.....	218.3	215.8	219.1	207.9	203.9	196.4	189.5	184.6	180.7	177.5
September.....	218.4	216.0	218.8	208.5	202.9	198.8	189.9	185.2	181.0	178.3
October.....	218.7	216.2	216.6	208.9	201.8	199.2	190.9	185.0	181.3	177.7
November.....	218.8	216.3	212.4	210.2	201.5	197.6	191.0	184.5	181.3	177.4
December.....		215.9	210.2	210.0	201.8	196.8	190.3	184.3	180.9	176.7

Movements in the CPI that have occurred in the past are not necessarily indicative of changes that may occur in the future, which may be wider or more confined than those that have occurred historically.

### *Disclaimer by the Issuer, Guarantor and the Calculation Agent*

All information in this Product Supplement relating to the CPI is derived from publicly available information released by the BLS and other public sources. Neither the Issuer nor the Guarantor nor the Calculation Agent has independently verified any such information. Neither the Issuer nor the Guarantor nor the Calculation Agent shall have any responsibility for any error or omissions in the calculation and publication of the CPI by the BLS.

### *11<sup>th</sup> District Cost of Funds Rate*

Each 11<sup>th</sup> District Cost of Funds Rate Note will bear interest at the interest rate (calculated with reference to the 11<sup>th</sup> District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any) specified in such 11<sup>th</sup> District Cost of Funds Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**11th District Cost of Funds Rate**” means, with respect to any Interest Determination Date relating to any 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date, the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date falls, as set forth under the caption “11<sup>th</sup> District” on Reuters Page 7058 as of 11:00 A.M., San Francisco time, on such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date. If such rate does not appear on Reuters Page 7058 on any related 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date, the 11<sup>th</sup> District Cost of Funds Rate for such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the 11<sup>th</sup> Federal Home Loan Bank District that was most recently announced (the “**Index**”) by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding the

date of such announcement. If the FHLB of San Francisco fails to announce such rate for the calendar month immediately preceding such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date, then the 11<sup>th</sup> District Cost of Funds Rate determined as of such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date shall be the 11<sup>th</sup> District Cost of Funds Rate in effect immediately prior to such 11<sup>th</sup> District Cost of Funds Rate Interest Determination Date.

#### *Federal Funds Effective Rate*

Each Federal Funds Effective Rate Note will bear interest at the interest rate (calculated with reference to the Federal Funds Effective Rate and the Spread and/or Spread Multiplier, if any) specified in such Federal Funds Effective Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**Federal Funds Effective Rate**” means, with respect to any Federal Funds Effective Rate Interest Determination Date, the rate on that date for Federal Funds as published in H.15(519) under the heading “Federal Funds (effective)” and displayed on Reuters (or any successor service) on page FEDFUNDS1 (or any successor page as may replace such page on that service or any successor service for the purpose of displaying the Federal Funds (effective) Rate). For the avoidance of doubt, the Federal Funds Effective Rate for any Federal Funds Effective Rate Interest Determination Date is the rate published for the immediately preceding Business Day.

If the rate does not so appear on Reuters page FEDFUNDS1 or is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to that Federal Funds Effective Rate Interest Determination Date, then the Federal Funds Effective Rate for that Federal Funds Effective Rate Interest Determination Date will be the rate on that Federal Funds Effective Rate Interest Determination Date as published in Federal Reserve Statistical Release H.15 Daily Update under the heading “Federal Funds (effective).”

If the rate is not yet published by 3:00 P.M. New York City time, on the Calculation Date pertaining to that Federal Funds Effective Rate Interest Determination Date, then the Federal Funds interest rate will be calculated by the Calculation Agent and will be the arithmetic mean of the rates as of 9:00 A.M., New York City time, on that Federal Funds Effective Rate Interest Determination Date for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York selected by the Calculation Agent; provided, however, that if the brokers selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate with respect to that Federal Funds Effective Rate Interest Determination Date will be the Federal Funds Effective Rate last in effect on that Federal Funds Effective Rate Interest Determination Date.

#### *Federal Funds Open Rate*

Each Federal Funds Open Rate Note will bear interest at the interest rate (calculated with reference to the Federal Funds Open Rate and the Spread and/or Spread Multiplier, if any) specified in such Federal Funds Open Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**Federal Funds Open Rate**” means, with respect to any Federal Funds Open Rate Interest Determination Date, the rate for U.S. dollar federal funds as published in H.15(519) under the heading “Federal Funds (open)” and displayed on Reuters (or any successor service) screen page 5. If the Federal Funds Open Rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above is not displayed on Reuters screen page 5 at 3:00 P.M., New York City time, on the relevant calendar day, unless the calculation is made earlier and the rate is available from that source at that time, then the Federal Funds Open Rate for the relevant Federal Funds Open Rate Interest Determination Date, will be the rate for that day displayed on the FFPREBON Index page on Bloomberg (which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg).
- If the rate described above is not displayed on Reuters screen page 5 and does not appear on the FFPREBON Index on Bloomberg at 3:00 P.M., New York City time, on the relevant calendar day, unless

the calculation is made earlier and the rate is available from that source at that time, the Federal Funds Open Rate will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar Federal Funds, arranged before 9:00 A.M., New York City time, on the Federal Funds Open Rate Interest Determination Date, quoted by three leading brokers of U.S. dollar Federal Funds transactions in New York City selected by the Calculation Agent.

- If fewer than three brokers selected by the Calculation Agent are quoting as described above, the Federal Funds Open Rate on the Federal Funds Open Rate Interest Determination Date will be the Federal Funds Open Rate last in effect on the Federal Funds Open Rate Interest Determination Date.

### *EURIBOR*

Each EURIBOR Note will bear interest at the interest rate (calculated by reference to EURIBOR and the Spread and/or Spread Multiplier, if any) specified in such EURIBOR Note and in the applicable Terms Supplement.

Unless otherwise indicated in the applicable Terms Supplement, “**EURIBOR**” means the interest rate for deposits in euros designated as “EURIBOR” and sponsored jointly by the European Banking Federation and ACI — The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. The EURIBOR will be determined in the following manner:

- EURIBOR will be the offered rate for deposits in euros having the Index Maturity specified in the applicable Terms Supplement, as that rate appears on the Reuters screen EURIBOR01 page as of 11:00 A.M., Brussels time, on each calendar day during the Variable Interest Period.
- If the rate described above does not so appear on the Reuters screen EURIBOR01 page, the EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on each calendar day, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market selected by the Calculation Agent: euro deposits having the specified Index Maturity, beginning on the relevant calendar day, and in a representative amount. The Calculation Agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, EURIBOR for such calendar day will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on such calendar day, by three major banks in the euro-zone selected by the Calculation Agent: loans of euros having the specified Index Maturity, beginning on the relevant calendar day, and in a representative amount.
- If fewer than three banks selected by the Calculation Agent are quoting as described above, EURIBOR for the calendar day will be EURIBOR in effect on the last immediately preceding calendar day on which the EURIBOR was available.

### *LIBOR*

Each LIBOR Note will bear interest at the interest rate (calculated by reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in such LIBOR Note and in the applicable Terms Supplement.

Unless otherwise indicated in the applicable Terms Supplement, “LIBOR” will be determined by the Calculation Agent in accordance with the following provisions:

- With respect to any LIBOR Interest Determination Date, LIBOR will be, as specified in the applicable Terms Supplement, either:
  - if “LIBOR Reuters” is specified in the Note and the applicable Terms Supplement, the arithmetic mean of the offered rates (unless the specified Designated LIBOR Page (as defined below) by its terms

provides for only a single rate, in which case the single rate will be used) for deposits in the Designated LIBOR Currency (as defined below) having the Index Maturity specified in the Note and the applicable Terms Supplement, commencing on the second London Business Day immediately following that LIBOR Interest Determination Date, which appear on the Designated LIBOR Page specified in the Note and the applicable Terms Supplement as of 11:00 A.M., London time, on that LIBOR Interest Determination Date, if at least two offered rates appear (unless, as described above, only a single rate is required) on the Designated LIBOR Page; or

- if “LIBOR Bloomberg” is specified in the Note and the applicable Terms Supplement, the rate for deposits in the Designated LIBOR Currency having the Index Maturity designated in the Note and the applicable Terms Supplement, commencing on the second London Business Day immediately following that LIBOR Interest Determination Date, which appears on the Designated LIBOR Page specified in the Note and the applicable Terms Supplement as of 11:00 A.M., London time, on such LIBOR Interest Determination Date.

Notwithstanding the foregoing, if fewer than two offered rates appear on the Designated LIBOR Page with respect to LIBOR Reuters (unless the specified Designated LIBOR Page by its terms provides only for a single rate, in which case the single rate will be used), or if no rate appears on the Designated LIBOR Page with respect to LIBOR Bloomberg, whichever may be applicable, LIBOR with respect to that LIBOR Interest Determination Date will be determined as if the parties had specified the rate as follows:

With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear in the Designated LIBOR Page with respect to LIBOR Reuters (unless the specified Designated LIBOR Page by its terms provided for only a single rate, in which case the single rate will be used), or on which no rate appears on the Designated LIBOR Page with respect to the LIBOR Bloomberg, as the case may be, the Calculation Agent will request that the principal London offices of each of four major banks in the London interbank market, as selected by the Calculation Agent, provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity specified in the Note and the applicable Terms Supplement, commencing on the second London Business Day immediately following the LIBOR Interest Determination Date, to prime banks in the London interbank market as of 11:00 A.M., London time, on the LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in that market at that time. If at least two quotations are so provided, then LIBOR on the LIBOR Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then LIBOR on the LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted as of 11:00 A.M. New York time, on the LIBOR Interest Determination Date by three major banks in New York City for loans in the Designated LIBOR Currency to leading global banks, commencing on the second London Business Day immediately following the LIBOR Interest Determination Date having the Index Maturity specified in the Note and the applicable Terms Supplement and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in that market at that time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of the LIBOR Interest Determination Date will be LIBOR in effect on the LIBOR Interest Determination Date.

“**Designated LIBOR Currency**” means, with respect to any LIBOR Note, the currency, if any, specified in the Note and the applicable Terms Supplement as the Designated LIBOR Currency or, if no currency is specified in the Note and the applicable Terms Supplement, U.S. dollars.

“**Designated LIBOR Page**” means either:

- if “**LIBOR Reuters**” is specified in the Note and the applicable Terms Supplement, the display on Reuters (or any successor service) for the purpose of displaying the London interbank rates of major banks for the applicable Designated LIBOR currency; or
- if “**LIBOR Bloomberg**” is specified in the Note and the applicable Terms Supplement, the display on Bloomberg page BBAM1<GO> (or any successor service) for the purpose of displaying the London interbank rates of major banks for the applicable Designated LIBOR Currency.

If neither “LIBOR Reuters” nor “LIBOR Bloomberg” is specified in the Note and the applicable Terms Supplement, LIBOR for the applicable Designated LIBOR Currency will be determined as if LIBOR Reuters (and, if the U.S. dollar is the Designated LIBOR Currency, page LIBOR01 (or any successor page on that service or any successor service)) had been chosen.

#### *Prime Rate*

Each Prime Rate Note will bear interest at the interest rate (calculated by reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in such Prime Rate Note and in the applicable Terms Supplement.

Unless otherwise indicated in the applicable Terms Supplement, “**Prime Rate**” means, with respect to any Prime Interest Determination Date, the rate set forth in H.15(519) on that date under the heading “Bank prime loan.” For the avoidance of doubt, the Prime Rate for any Prime Interest Determination Date is the rate published for the immediately preceding Business Day.

If the rate is not published by 3:00 P.M., New York City time on the Calculation Date pertaining to that Prime Interest Determination Date, the Prime Rate will be the rate on that date published in the Federal Reserve Statistical Release H.15 Daily Update under the heading “Bank prime loan.”

If the rate is not published either in H.15(519) or H.15 Daily Update by 3:00 P.M., New York City time, on the Calculation Date pertaining to that Prime Interest Determination Date, the Prime Rate will be calculated by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank named on the Reuters Screen USPRIME1 Page (as defined below) as that bank’s prime rate or base lending rate as in effect as of 11:00 A.M., New York City time, for that Prime Interest Determination Date, or, if fewer than four rates appear on the Reuters Screen USPRIME1 Page for that Prime Interest Determination Date, the rate will be the arithmetic mean of the prime rates (quoted on the basis of the actual number of days in the year divided by 360) as of the close of business on that Prime Interest Determination Date by at least two of the three major money center banks in The City of New York selected by the Calculation Agent from which quotations are requested.

If fewer than two quotations are quoted as described above, the Prime Rate for that Prime Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the prime rates quoted in The City of New York on that date by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by a Federal or State authority, selected by the Calculation Agent to quote such rate or rates; provided, however, that if the Prime Rate is not published in H.15(519) and the banks or trust companies selected are not quoting as mentioned in this sentence, the Prime Rate with respect to that Prime Interest Determination Date will be the interest rate otherwise in effect on that Prime Interest Determination Date.

“**Reuters Screen USPRIME 1 Page**” means the display designated as page “USPRIME 1” on Reuters (or such other page as may replace the page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

#### *Treasury Rate*

Each Treasury Rate Note will bear interest at the interest rate (calculated by reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in such Treasury Rate Note and in the applicable Terms Supplement.

Unless otherwise specified in the applicable Terms Supplement, “**Treasury Rate**” means, with respect to any Treasury Interest Determination Date, the rate for the most recent auction of direct obligations of the United States (“**Treasury Bills**”) having the Index Maturity specified in the applicable Terms Supplement and the Note and published under the heading “INVESTMENT RATE” on the display on Reuters (or any successor service) on page USAUCTION 10 (or any other page as may replace that page on that service or any successor service for the purpose of displaying the 3-month Treasury Bill Rate) or page USAUCTION 11 (or any other successor page as may replace that page on that service or any successor service for the purpose of displaying the 6-month Treasury Bill Rate) or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond

Equivalent Yield (as defined below) of the rate for Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the rate, under the caption “U.S. Government Securities/Treasury Bills/Auction High.”

If the rate is not so published in H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate on the Treasury Rate Interest Determination Date shall be the Bond Equivalent Yield of the auction rate of the Treasury Bills as announced by the United States Department of the Treasury.

In the event that the auction rate is not so announced by the United States Department of the Treasury on the Calculation Date, or if no auction of Treasury Bills is held, then the Treasury Rate on such Treasury Rate Interest Determination Date shall be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity as published in H.15(519) under the heading “U.S. Government Securities/Treasury Bills/Secondary Market” or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the Treasury Rate Interest Determination Date of such Treasury Bills as published in Federal Reserve Statistical Release H.15 Daily Update, or the other recognized electronic source used for the purpose of displaying the rate, under the heading “U.S. Government Securities/Treasury Bills/Secondary Market.”

If the rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Treasury Rate on the Treasury Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on the Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of the Treasury Rate Interest Determination Date will be the Treasury Rate in effect on the Treasury Rate Interest Determination Date.

“**Bond Equivalent Yield**” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “N” refers to a 365-day or 366-day year, as the case may be, and “M” refers to the actual number of days in the applicable interest Reset Period.

### **Redemption and Repurchase**

Unless the applicable Terms Supplement states otherwise, we may redeem the Notes prior to maturity, at our election, in whole or in part, from time to time upon not less than 15 nor more than 60 days’ written notice to the Fiscal Agent. The Redemption Date will be any Interest Payment Date on which the Issuer elects to exercise the Optional Redemption unless otherwise specified in the applicable Terms Supplement. If we redeem the Notes on any Redemption Date, we will pay 100% of the principal amount plus accrued and unpaid interest (if any) to each Holder on the Redemption Date, or if such day is not a Business Day (as described in the Offering Circular), the following Business Day. To the extent we exercise our Optional Redemption, each Holder shall receive only 100% of the principal amount plus any accrued and unpaid interest (if any) to the related Redemption Date and shall receive no further payments in respect of the Notes. The applicable Terms Supplement will specify the Redemption Dates and prices. The Notes will not be subject to any sinking fund.

We or our agents may, at any time, purchase Notes at any price in the open market or otherwise. Notes that we purchase in this manner may, at our discretion, be held, resold or surrendered to the Fiscal Agent for cancellation.



## Repayment at Option of Holder

Unless the applicable Terms Supplement states otherwise, the Holder of the Notes does not have the option to demand that the Notes are repayable prior to maturity. If the applicable Terms Supplement provides that the Notes will be repayable prior to maturity at such Holder's option, it will also specify the repayment dates and prices.

In order for a Note to be repaid prior to maturity, the Fiscal Agent must receive, at the office of the Corporate Trust Office of the Fiscal Agent in The City of New York at 60 Wall Street, 27<sup>th</sup> Floor Mail Stop 60-2710, New York, NY 10005, Attention: Trust and Securities Services, at least 30 but not more than 45 days' notice of the option to exercise this repayment option. Once this notice is delivered, it may not be revoked.

If the applicable Terms Supplement provides that the Notes will be repayable prior to maturity at the Holder's option, a Holder may exercise the early repayment option, unless the applicable Terms Supplement states otherwise, for less than the entire principal amount of the Notes that it owns provided that the principal amount of Notes that remain outstanding after repayment is an authorized denomination. Unless otherwise specified in the applicable Terms Supplement, such authorized denomination is any integral multiple of \$1,000.

The depository or its nominee will be the direct Holder of the Notes and, therefore, will be the only entity that can exercise a right to repayment, if any. In order to ensure that the depository or its nominee will timely exercise such right to repayment, you must instruct the broker or other direct or indirect participant through which you hold an interest in such Notes to notify the depository of your desire to exercise the right to repayment. Different firms have different cut-off times for accepting instructions from their customers. Accordingly, you should consult the broker or other direct or indirect participant through which you hold an interest in the Notes in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to the depository.

## Guarantee

Pursuant to the Guarantee, the Guarantor unconditionally and irrevocably guarantees to each Holder of each series of Notes the payments of principal and interest (if any) or other amounts due and payable or deliverable on, or exchangeable for, such Notes, if such amounts have not been received by such Holder at the time such payment is due and payable, as applicable (after giving effect to all the applicable cure periods). Under the terms of the Guarantee, the Guarantor has waived diligence, presentment, demand, protest and notice of any kind with respect to the Guarantee. The Guarantor has also waived any requirement that the Holder or Holders of any Notes exhaust any rights or take any action against the Issuer in respect of the obligations covered by the Guarantee. The Guarantee provides that in the event of a default in payment of any amounts due to the Holder or Holders of any Notes, such Holder or Holders may institute legal proceedings directly against the Guarantor to enforce the Guarantee without first proceeding against the Issuer. The Guarantee (i) is a direct, general, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unconditional, unsecured and unsubordinated contingent obligations of the Guarantor, except those mandatorily preferred by law, (ii) is a continuing guarantee, (iii) is irrevocable and (iv) is a guarantee of payment and delivery of the amounts due and payable or deliverable under the Notes and not of collection. The Guarantee shall not be discharged except by the payment and delivery of all amounts due and payable or deliverable under the Notes. The Guarantee, however, does not obligate the Guarantor or any other party to make a secondary market in the Notes of any series or to make any payments with respect to any secondary market transactions.

Under New York law, (a) the Guarantor, as a New York state-licensed branch of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a Dutch bank, is required to set aside and pledge certain liquid assets equal to a percentage of its liabilities, including the Guarantee, (b) the Superintendent may increase that percentage or take possession of such assets and the rest of the property and business of the Guarantor located in New York for the benefit of the Guarantor's creditors, including the beneficiaries of the Guarantee, if the financial condition of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. deteriorates or if Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is placed in liquidation or has been declared bankrupt or has become subject to any emergency procedure in The Netherlands or otherwise and (c) the Superintendent is authorized not to turn over any such assets or other property of the Guarantor to the principal office of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. or any Dutch liquidator or receiver until all of the claims of the creditors of the Guarantor, including the beneficiaries of the Guarantee, have been satisfied and discharged.

Notwithstanding the foregoing, under Dutch law, a branch is not a separate legal entity and, therefore, from a purely Dutch law perspective, the Guarantee provided by the Guarantor for the obligations of the Issuer does not provide a separate means of recourse.

## **USE OF PROCEEDS AND HEDGING**

We will use the net proceeds we receive from the sale of the Notes for the purposes we describe in the accompanying Terms Supplement under “Use of Proceeds”. We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the Notes as described below. The original issue price of the Notes includes the dealer’s commissions (as shown on the cover page of the applicable Terms Supplement) paid with respect to the Notes and the cost of hedging our obligations.

In anticipation of the sale of the Notes, we and/or our affiliates expect to enter into hedging transactions involving purchases listed or over-the-counter options, futures and/or other instruments linked to the fixed interest rate or floating interest rate, on or before the pricing date.

We and/or our affiliates may acquire a long or short position in securities similar to your Notes from time to time and may, in our or their sole discretion, hold or resell those securities.

In the future, we and/or our affiliates expect to close out hedge positions relating to the Notes and perhaps relating to other notes with returns linked to the fixed interest rate or floating interest rate. We expect these steps to involve sales of instruments linked to fixed interest rate or floating interest rate on or shortly before an Interest Payment Date or the Final Valuation Date.

## CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain material U.S. federal income tax consequences of the purchase, ownership and disposition of Notes to beneficial owners (“**Holders**”) of Notes purchasing Notes at their original issuance and at their “issue price” (defined below). This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. Any such change may apply retroactively. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the program (such as Notes issued in bearer form and renewable Notes), and the relevant final terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Notes as appropriate.

This summary only applies to those Holders holding Notes as capital assets within the meaning of Section 1221 of the Code and assumes that the Notes will be properly treated as indebtedness for U.S. federal income tax purposes. It does not address all of the tax consequences that may be relevant to a Holder in light of the Holder’s particular circumstances or to Holders subject to special rules (including, without limitation, tax-exempt investors, individual retirement accounts and other tax-deferred accounts, persons who are subject to alternative minimum tax, banks, thrifts, insurance companies, other financial institutions, real estate investment trusts, “S” corporations, entities treated as partnerships, expatriates, regulated investment companies, brokers, dealers or traders in securities or commodities electing to use a mark-to-market method of accounting, persons whose functional currency is other than the U.S. dollar, and persons who hold Notes as part of a straddle, hedging, conversion or other integrated transaction or hold Notes as part of a constructive sale transaction). Moreover, the summary deals only with Notes with a term of 30 years or less. Subject to any additional discussion in the applicable Terms Supplement, it is expected, and the discussion below assumes, that, for federal income tax purposes, the issue price of a Note is equal to its stated issue price indicated in the applicable Terms Supplement.

This summary of U.S. federal income tax consequences is for general information only. State, local and foreign income tax laws may differ substantially from the corresponding federal income tax laws, and this summary does not purport to describe any aspect of the tax laws of any state, local or foreign jurisdiction.

**Persons considering the purchase of Notes should consult their tax advisers with regard to the application of U.S. federal income tax laws to their particular situations as well as any estate tax consequences and tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. This discussion is subject to any additional discussion regarding U.S. federal income taxation contained in the applicable Terms Supplement. Accordingly, you should consult the applicable Terms Supplement for any additional discussion regarding U.S. federal income taxation with respect to the specific Notes offered thereunder.**

**TO COMPLY WITH TREASURY DEPARTMENT CIRCULAR 230, RECIPIENTS OF THIS PRODUCT SUPPLEMENT ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PRODUCT SUPPLEMENT AND RELATED MATERIALS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANYONE, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE; (B) ANY SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

The term “U.S. Holder” means a beneficial owner of a Note who or which is, for U.S. federal income tax purposes, either (i) a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state or political subdivision thereof, including the District of Columbia, or (iii) a trust if a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or if it has a valid election in place to be treated as a domestic trust. A “Non-U.S. Holder” is a Holder of a Note that is not a U.S. Holder.

## U.S. Holders

### *Taxation of Interest*

The taxation of interest on a Note depends on whether it constitutes “qualified stated interest” (as defined below). Interest on a Note that constitutes qualified stated interest is includible in a U.S. Holder’s income as ordinary interest income when actually or constructively received, if such Holder uses the cash method of accounting for federal income tax purposes, or when accrued, if such Holder uses an accrual method of accounting for federal income tax purposes. Interest on a Note is expected to be foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Holder’s foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, interest paid on the Notes will constitute “passive income”. Interest that does not constitute qualified stated interest is included in a U.S. Holder’s income under the rules described below under “Original Issue Discount,” regardless of such Holder’s method of accounting. Notwithstanding the foregoing, interest that is payable on a Note with a maturity of one year or less from its issue date after taking into account the last possible date that the Note could be outstanding under the terms of the Note (a “**Short-Term Note**”) is included in a U.S. Holder’s income under the rules described below under “Short-Term Notes.”

Prospective Holders should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

### *Fixed Rate Notes*

Interest on a Fixed Rate Note will constitute “qualified stated interest” if the interest is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or in property (other than debt instruments issued by the Issuer) at least annually at a single fixed rate.

### *Floating Rate Notes*

Interest on a Floating Rate Note that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or in property (other than debt instruments issued by the Issuer) at least annually will constitute “qualified stated interest” if the Note is a “variable rate debt instrument” (“**VRDI**”) under the rules described below and the interest is payable at a single “qualified floating rate” or single “objective rate” (each as defined below). If the Note is a VRDI but the interest is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such interest that constitutes “qualified stated interest.” See “Original Issue Discount--Floating Rate Notes that are VRDIs,” below.

### *Definition of Variable Rate Debt Instrument (VRDI), Qualified Floating Rate and Objective Rate*

A Note is a VRDI if all of the four following conditions are met. First, the “issue price” of the Note (as described below) must not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Note that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity) and (ii) 15% of the total noncontingent principal payments.

Second, the Note must generally provide for stated interest (compounded or paid at least annually) at (a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate and a single objective rate that is a “qualified inverse floating rate” (as defined below).

Third, the Note must provide that a qualified floating rate or objective rate in effect at any time during the term of the Note is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Fourth, the Note may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of interest on a Note is a “qualified floating rate” if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Floating Rate Note is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (i.e., a spread multiplier) that is greater than 0.65, but not more than 1.35 or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (i.e., a spread).

If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Note to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Note).

Subject to certain exceptions, an “objective rate” is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Issuer’s control (or the control of a related party) nor unique to the Issuer’s circumstances (or the circumstances of a related party). For example, an objective rate generally includes a rate that is based on one or more qualified floating rates or on the yield of actively traded personal property (within the meaning of Section 1092(d)(1) of the Code). Notwithstanding the first sentence of this paragraph, a rate on a Note is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’s term. An objective rate is a “qualified inverse floating rate” if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the cost of newly borrowed funds (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). Unless otherwise provided in the applicable Terms Supplement, it is expected, and the discussion below assumes, that a Floating Rate Note will qualify as a VRDI. If a Floating Rate Note does not qualify as a VRDI, then the Floating Rate Note will be treated as a contingent payment debt instrument. For a description of the treatment of contingent payment debt instruments, see the discussion under “Original Issue Discount—Floating Rate Notes that are not VRDIs.”

If interest on a Note is stated at a fixed rate for an initial period of one year or less, followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate.

### **Original Issue Discount**

Original issue discount (“**OID**”) with respect to a Note other than a Short-Term Note is the excess, if any, of the Note’s “stated redemption price at maturity” over the Note’s “issue price.” A Note’s “stated redemption price at maturity” is the sum of all payments provided by the Note (whether designated as interest or as principal) other than payments of qualified stated interest. The “issue price” of a Note is the first price at which a substantial amount of the Notes in the issuance that includes such Note is sold for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

As described more fully below, U.S. Holders of Notes with OID that mature more than one year from their issue date generally will be required to include such OID in income as it accrues in accordance with the constant yield method described below, irrespective of the receipt of the related cash payments. A U.S. Holder’s tax basis in a Note is increased by each accrual of OID and decreased by each payment other than a payment of qualified stated interest. The amount of OID with respect to a Note will be treated as zero if the OID is less than an amount equal to 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity (or, in the case of a Note that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Note).

### ***Fixed Rate Notes***

In the case of OID with respect to a Fixed Rate Note, the amount of OID includible in the income of a U.S. Holder for any taxable year is determined under the constant yield method, as follows. First, the “yield to maturity” of the Note is computed. The yield to maturity is the discount rate that, when used in computing the present value of all interest and principal payments to be made under the Note (including payments of qualified stated interest), produces an amount equal to the issue price of the Note. The yield to maturity is constant over the term of the Note and, when expressed as a percentage, must be calculated to at least two decimal places.

Second, the term of the Note is divided into “accrual periods.” Accrual periods may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and that each scheduled payment of principal or interest occurs either on the final day or the first day of an accrual period.

Third, the total amount of OID on the Note is allocated among accrual periods. In general, the OID allocable to an accrual period equals the product of the “adjusted issue price” of the Note at the beginning of the accrual period and the yield to maturity of the Note, less the amount of any qualified stated interest allocable to the accrual period. The adjusted issue price of a Note at the beginning of the first accrual period is its issue price. Thereafter, the adjusted issue price of the Note is its issue price, increased by the amount of OID previously includible in the gross income of any Holder and decreased by the amount of any payment previously made on the Note other than a payment of qualified stated interest.

Fourth, the “daily portions” of OID are determined by allocating to each day in an accrual period its ratable portion of the OID allocable to the accrual period.

A U.S. Holder includes in income in any taxable year the daily portions of OID for each day during the taxable year that such Holder held Notes. In general, under the constant yield method described above, U.S. Holders will be required to include in income increasingly greater amounts of OID in successive accrual periods.

### ***Floating Rate Notes that are VRDIs***

The taxation of OID (including interest that does not constitute qualified stated interest) on a Floating Rate Note will depend on whether the Note is a “VRDI,” as that term is defined under the Code and above under “Taxation of Interest—*Definition of Variable Rate Debt Instrument (VRDI), Qualified Floating Rate and Objective Rate.*”

In the case of a VRDI that provides for interest at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Notes (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), the rate that reflects the yield that is reasonably expected for the Note. Qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period.

If a Note that is a VRDI does not provide for interest at a single variable rate as described above, the amount of interest and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows.

First, in the case of an instrument that provides for stated interest at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as of the issue date would be approximately the same as the fair market value of the unmodified instrument.

Second, determine the fixed rate substitute for each variable rate provided by the Note. The fixed rate substitute for each qualified floating rate provided by the Note is the value of that qualified floating rate on the issue date. If the Note provides for two or more qualified floating rates with different intervals between interest adjustment dates (for example, the 30-day commercial paper rate and quarterly LIBOR), the fixed rate substitutes are based on

intervals that are equal in length (for example, the 90-day commercial paper rate and quarterly LIBOR, or the 30-day commercial paper rate and monthly LIBOR). The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Note.

Third, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Note, except that the equivalent fixed rate debt instrument provides for the fixed rate substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Note.

Fourth, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Notes. These amounts are taken into account as if the U.S. Holder held the equivalent fixed rate debt instrument. See “Taxation of Interest” and “Original Issue Discount—Fixed Rate Notes,” above.

Fifth, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the interest actually accrued or paid during the accrual period exceeds (or is less than) the interest assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

#### ***Floating Rate Notes that are not VRDIs***

*General.* We may issue Notes that will be treated as “contingent payment debt instruments” for U.S. federal tax purposes (“**contingent debt obligations**”). Special rules apply to contingent debt obligations under applicable U.S. Treasury Regulations (the “**contingent debt regulations**”). Pursuant to the contingent debt regulations, a U.S. Holder of a contingent debt obligation will be required to accrue interest income on the contingent debt obligation on a constant yield basis, based on a comparable yield, as described below, regardless of whether such Holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any. The contingent debt regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as OID for U.S. federal income tax purposes, for each accrual period prior to and including the maturity date of the contingent debt obligation that equals:

- the product of (a) the adjusted issue price (as defined below) of the contingent debt obligation as of the beginning of the accrual period and (b) the comparable yield (as defined below) of the contingent debt obligation, adjusted for the length of the accrual period;
- divided by the number of days in the accrual period; and
- multiplied by the number of days during the accrual period that the U.S. Holder held the contingent debt obligation.

The “adjusted issue price” of a contingent debt obligation is its issue price, increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amount of any payments (in accordance with the projected payment schedule described below) previously made with respect to the contingent debt obligation.

The term “comparable yield” as used in the contingent debt regulations means the greater of (i) annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to those of the contingent debt obligations, and (ii) the applicable federal rate.

The contingent debt regulations require that an issuer provide to U.S. Holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments (the “projected payment schedule”) on the contingent debt obligations. This schedule must produce a yield to maturity that equals the comparable yield. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the



Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

**The comparable yield and the projected payment schedule are not used for any purpose other than to determine a U.S. Holder's interest accruals and adjustments thereto in respect of the contingent debt obligations for U.S. federal income tax purposes. They do not constitute a projection or representation by the Issuer regarding the actual amounts that will be paid on the contingent debt obligations.**

*Adjustments to Interest Accruals on the Notes.* If, during any taxable year, a U.S. Holder of a contingent debt obligation receives actual payments with respect to such contingent debt obligation that, in the aggregate, exceed the total amount of projected payments for that taxable year, the U.S. Holder will incur a "net positive adjustment" under the contingent debt regulations equal to the amount of such excess. The U.S. Holder will treat a net positive adjustment as additional interest income in that taxable year. If a U.S. Holder receives in a taxable year actual payments with respect to the contingent debt obligation that, in the aggregate, are less than the amount of projected payments for that taxable year, the U.S. Holder will incur a "net negative adjustment" under the contingent debt regulations equal to the amount of such deficit. This net negative adjustment:

- will first reduce the U.S. Holder's interest income on the contingent debt obligation for that taxable year;
- to the extent of any excess, will give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the contingent debt obligation during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and
- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent debt obligation or to reduce the amount realized on a sale, exchange or retirement of the contingent debt obligation.

A net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemized deductions.

Generally the sale, exchange or retirement of a contingent debt obligation will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a sale, exchange or retirement of a contingent debt obligation will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder (the "amount realized"), and (b) the U.S. Holder's adjusted tax basis in the contingent debt obligation. As discussed above, to the extent that a U.S. Holder has any net negative adjustment carryforward, the U.S. Holder may use such net negative adjustment from a previous year to reduce the amount realized on the sale, exchange or retirement of the contingent debt obligations.

For purposes of determining the amount realized on the scheduled retirement of a Note, a U.S. Holder will be treated as receiving the projected payment amount of any contingent payment due at maturity. As discussed above, to the extent that actual payments with respect to the Notes during the year of the scheduled retirement are greater or lesser than the projected payments for such year, a U.S. Holder will incur a net positive or negative adjustment, resulting in additional ordinary income or loss, as the case may be.

A U.S. Holder's adjusted tax basis in a contingent debt obligation generally will be equal to the U.S. Holder's original purchase price for the contingent debt obligation, increased by any interest income previously accrued by the U.S. Holder (determined without regard to any adjustments to interest accruals described above) and decreased by the amount of any projected payments that previously have been scheduled to be made in respect of the contingent debt obligations (without regard to the actual amount paid).

Gain recognized by a U.S. Holder upon a sale, exchange or retirement of a contingent debt obligation generally will be treated as ordinary interest income. Any loss will be ordinary loss to the extent of the excess of previous interest inclusions over the total net negative adjustments previously taken into account as ordinary losses in respect of the contingent debt obligation, and thereafter capital loss (which will be long-term if the contingent debt

obligation has been held for more than one year). The deductibility of capital losses is subject to limitations. If a U.S. Holder recognizes a loss upon a sale or other disposition of a contingent debt obligation and such loss is above certain thresholds, then the Holder may be required to file a disclosure statement with the Internal Revenue Service (“IRS”). U.S. Holders should consult their tax advisers regarding this reporting obligation, as discussed under “Disclosure Requirements” below.

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. If one or more contingent payments on a contingent debt obligation become fixed more than six months prior to the date each such payment is due, a U.S. Holder would be required to make a positive or negative adjustment, as appropriate, equal to the difference between the present value of the amounts that are fixed, and the present value of the projected amounts of the contingent payments as provided in the projected payment schedule, using the comparable yield as the discount rate in each case. If all remaining scheduled contingent payments on a contingent debt obligation become fixed substantially contemporaneously, a U.S. Holder would be required to make adjustments to account for the difference between the amounts so treated as fixed and the projected payments in a reasonable manner over the remaining term of the contingent debt obligation. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent debt regulations. A U.S. Holder's tax basis in the contingent debt obligation and the character of any gain or loss on the sale of the contingent debt obligation would also be affected. U.S. Holders are urged to consult their tax advisers concerning the application of these special rules.

#### *Other Rules*

Certain Notes having OID may be redeemed prior to maturity, or may be repayable at the option of the Holder. Such Notes may be subject to rules that differ from the general rules discussed above relating to the tax treatment of OID. Purchasers of such Notes with a redemption or repayable feature should consult their tax advisers with respect to such feature since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the purchased Note.

#### **Premium**

If a U.S. Holder purchases a Note for an amount in excess of the sum of all amounts payable on the Note after the date of acquisition (other than payments of qualified stated interest), such Holder will be considered to have purchased such Note with “amortizable bond premium” equal in amount to such excess. Generally, a U.S. Holder may elect to amortize such premium as an offset to qualified stated interest income, using a constant yield method similar to that described above (see “Original Issue Discount”), over the remaining term of the Note. Special rules may apply in the case of a Note that is subject to optional redemption. A U.S. Holder who elects to amortize bond premium must reduce such Holder's tax basis in the Note by the amount of the premium used to offset qualified stated interest income as set forth above. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by such Holder and may be revoked only with the consent of the IRS.

#### **Short-Term Notes**

A Short-Term Note, will be treated as issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. Thus, all Short-Term Notes will be OID Notes. U.S. Holders that report income for federal income tax purposes on an accrual method are required to include OID in income on such Short-Term Note on a straight-line basis, unless an election is made to accrue the OID according to a constant yield method based on daily compounding.

Other U.S. Holders of a Short-Term Note are generally not required to accrue OID for federal income tax purposes, unless they elect to do so, with the consequence that the reporting of such income is deferred until it is received. In the case of a U.S. Holder that is not required, and does not elect, to include OID in income currently, any gain realized on the sale, exchange or retirement of a Short-Term Note is ordinary income to the extent of the OID accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, U.S. Holders that are not required, and

do not elect, to include OID in income currently are required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry a Short-Term Note in an amount not exceeding the deferred interest income with respect to such Short-Term Note (which includes both the accrued OID and accrued interest that are payable but that have not been included in gross income), until such deferred interest income is realized. A U.S. Holder's tax basis in a Short-Term Note is increased by the amount included in such Holder's income on such a Note.

### **Election to Treat All Interest as OID**

U.S. Holders may elect to include in gross income all interest that accrues on a Note, including any stated interest, acquisition discount, OID, market discount, de minimis OID, de minimis market discount and unstated interest (as adjusted by amortizable bond premium and acquisition premium), by using the constant yield method described above under "Original Issue Discount." Such an election for a Note with amortizable bond premium will result in a deemed election to amortize bond premium for all debt instruments owned and later acquired by the U.S. Holder with amortizable bond premium and may be revoked only with the permission of the IRS. A U.S. Holder's tax basis in a Note will be increased by each accrual of the amounts treated as OID under the constant yield election described in this paragraph.

### **Sale, Exchange or Retirement of Notes**

A U.S. Holder generally will recognize U.S. source gain or loss upon the sale, exchange or retirement of a Note equal to the difference between the amount realized upon such sale, exchange or retirement and the U.S. Holder's adjusted basis in the Note. Such adjusted basis in the Note generally will equal the cost of the Note to the holder, increased by OID, and reduced (but not below zero) by any payments on the Note other than payments of qualified stated interest and by any premium that the U.S. Holder has taken into account. To the extent attributable to accrued but unpaid qualified stated interest, the amount realized by the U.S. Holder will be treated as a payment of interest. Generally, any gain or loss will be capital gain or loss, except as provided under "Short-Term Notes" and "Original Issue Discount—Floating Rate Notes that are not VRDIs" above. The gain or loss on the sale, exchange or retirement of a debt security will generally be long-term capital gain or loss if a U.S. Holder has held the debt security for more than one year on the date of disposition. The ability of U.S. Holders to offset capital losses against ordinary income is limited. Special rules apply in determining the tax basis of a contingent debt obligation and the amount realized on the retirement of a contingent debt obligation.

### **Backup Withholding and Information Reporting**

Backup withholding may apply in respect of the amounts paid to a U.S. Holder, unless such U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number, or otherwise complies with applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the U.S. Holder's U.S. federal income tax liability provided that the required information is furnished timely to the IRS. In addition, information returns will be filed with the IRS in connection with payments on the Notes and the proceeds from a sale or other disposition of the Notes, unless the U.S. Holder provides proof of an applicable exemption from the information reporting rules.

### **Disclosure Requirements**

Applicable U.S. Treasury Regulations require taxpayers that participate in certain "reportable transactions" to disclose their participation to the IRS by attaching Form 8886 to their tax returns and to retain a copy of all documents and records related to the transaction. In addition, organizers and sellers of such transactions are required to maintain records, including lists identifying investors in the transaction, and must furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based on any of several criteria. Whether an investment in a Note constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. Holders should consult their own tax advisers concerning any possible disclosure obligation that they may have with respect to their investment in the Notes and should be aware that the Issuer (or other participants in the transaction) may determine that the investor list maintenance requirement applies to the transaction and comply accordingly with this requirement.

**Non-U.S. Holders**

Unless otherwise noted in the applicable Terms Supplement, a holder that is not a U.S. Holder will not be subject to U.S. withholding tax with respect to payments on the Notes, but may be subject to generally applicable information reporting, and may also be subject to backup withholding requirements with respect to such payments unless the holder complies with certain certification and identification requirements as to the holder's foreign status or an exception to the information reporting and backup withholding rules otherwise applies.

**New Legislation**

Newly enacted legislation requires certain U.S. Holders who are individuals, estates or trusts to pay a 3.8% tax on, among other things, interest and capital gains from the sale or other disposition of Notes for taxable years beginning after December 31, 2012. In addition, for taxable years beginning after March 18, 2010, new legislation requires certain U.S. Holders who are individuals to report information relating to an interest in our Notes, subject to certain exceptions. U.S. Holders should consult their tax advisors regarding the effect, if any, of new U.S. federal income tax legislation on their ownership and disposition of our Notes.

## NETHERLANDS TAXATION

The information provided below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. Prospective purchasers are advised to consult their tax counsel with respect to the tax consequences of purchasing, holding and/or selling the Notes.

The following summary of the Netherlands tax consequences is based on the current tax law and jurisprudence of the Netherlands.

A) All payments in respect of the Notes can be made without withholding or deduction for or on account of any taxes, duties or charges of any nature whatsoever that are or may be withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

B) A corporate noteholder, that derives income from a Note or that realizes a gain on the disposal, deemed disposal, exchange or redemption of the Note, will not be subject to any Netherlands taxes on such income or capital gains, unless:

(i) the noteholder is, or is deemed to be a resident of the Netherlands; or

(ii) the noteholder has an enterprise or deemed enterprise or an interest in an enterprise that is either being effectively managed in the Netherlands or that is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, to which enterprise or part of an enterprise the Note is attributable.

An individual noteholder, who derives or is deemed to derive income from a Note or who realizes a gain on the disposal, deemed disposal, exchange or redemption of the Note, will not be subject to any Netherlands taxes on such income or capital gains, unless the conditions as mentioned under (i) or (ii) above are met, or unless:

(iii) the individual noteholder has elected to be taxed as a resident of the Netherlands; or

(iv) such income or gain 'results from other activities performed in the Netherlands' ('*resultaat uit overige werkzaamheden*') as defined in the Personal Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including without limitation, activities which are beyond the scope of normal, active portfolio management (*normaal, actief vermogensbeheer*).

C) No gift, estate or inheritance taxes will arise in the Netherlands in respect of the transfer or deemed transfer of a Note by way of a gift by, or on the death of, a noteholder who is not a resident or deemed resident of the Netherlands, provided that:

(i) the transfer is not construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; and

(ii) in the case of a gift of such Note by an individual holder who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual holder does not die within 180 days after the date of the gift while being resident or deemed to be resident in the Netherlands.

In case a gift of Notes only takes place if certain conditions are met, no gift tax will arise if the noteholder is neither (i) a resident or deemed resident of the Netherlands nor (ii) a resident or deemed resident within 180 days after the date on which the conditions are fulfilled.

For purposes of Dutch gift and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

D) There will be no registration tax, capital tax, transfer tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer and/or delivery of the Notes or the execution, delivery and/or enforcement by legal proceedings of the relevant documents or the performance of the Branch's obligations thereunder and under the Notes.

E) No value added tax will be due in the Netherlands in respect of payments in consideration of the issue of the Notes, and/or in respect of payments of interest and principal on a Note, and/or in respect of the transfer of a Note, and/or in connection with the documents or in connection with the arrangements contemplated thereby, other than value added tax on the fees attributable to services which are not expressly exempt from value added tax, such as management, administrative, notarial and similar activities, safekeeping of the Notes and the handling and verifying of documents.

### **European Union Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from July 1, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise - Belgium did so and will switch to the provision of information as of 2010) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Belgium operated a withholding tax system at a rate of 20 per cent. in relation to such payments until December 31, 2009 and switched to the provision of information (instead of the withholding tax) as from January 1, 2010.

Also with effect from July 1, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

### **Benefit Plan Investor Considerations**

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (a "Plan") should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan. In addition, certain governmental, church and non-U.S. plans ("Non-ERISA Arrangements") are not subject to the provisions of Section 406 of ERISA or Section 4975 of the Code, but may be subject to federal, state, local or non-U.S. laws that are substantially similar to those provisions ("Similar Laws").

In addition to ERISA's general fiduciary standards, the Issuer, directly or through its affiliates, may be considered a "party in interest" within the meaning of ERISA, or a "disqualified person" within the meaning of the Code, with respect to many Plans, as well as many individual retirement accounts and Keogh plans (also "Plans"). ERISA Section 406 and Code Section 4975 generally prohibit transactions between plans and parties in interest or disqualified persons. Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the Notes are acquired by or with the assets of a Plan with respect to which the Issuer or any of its affiliates is a service provider or other party in interest, unless the Notes are acquired pursuant to an exemption from the "prohibited transaction" rules. A violation of these prohibited transaction rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

There are five prohibited transaction class exemptions (“PTCEs”) issued by the U.S. Department of Labor that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the Notes. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than “adequate consideration” (within the meaning of ERISA Section 408(b)(17) and Section 4975(f)(10) of the Code) in connection with the transaction (the so-called “service-provider exemption”). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Because the Issuer, directly or through its affiliates, may be considered a party in interest or disqualified person with respect to many Plans, unless otherwise specified in the applicable Pricing Supplement, the Notes may not be purchased, held or disposed of by any Plan, any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) or any person investing “plan assets” (within the meaning of Department of Labor Regulation Section 2510.3-101, as modified by ERISA Section 3(42)) of any Plan or Plan Asset Entity, unless such purchase, holding or disposition is eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the service-provider exemption. Unless specified otherwise in the applicable Pricing Supplement, any purchaser, including any fiduciary purchasing on behalf of a Plan, Plan Asset Entity or Non-ERISA Arrangement, transferee or holder of the Notes will be deemed to have represented, in its corporate and fiduciary capacity, by its purchase and holding of the Notes that (a) either (i) it is not a Plan, a Plan Asset Entity or Non-ERISA Arrangement and is not purchasing such securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (ii) its purchase, holding and disposition are eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption or similar exemptions from Similar Laws and (b) neither the Issuer nor any of its affiliates is a “fiduciary” (within the meaning of ERISA Section 3(21) or, with respect to a Non-ERISA Arrangement, any federal, state, local or non-U.S. laws that are substantially similar to such section) with respect to the purchaser or holder in connection with such person’s purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the Notes and the transactions contemplated with respect to the Notes.

In addition to considering the consequences of holding the Notes, Plans, Plan Asset Entities and Non-ERISA Arrangements purchasing the Notes should also consider the possible implications of owning any underlying security that an investor may receive upon an optional or mandatory exchange of the Notes at maturity or otherwise. Purchasers of the Notes have exclusive responsibility for ensuring that their purchase, holding and disposition of the Notes do not violate the prohibited transaction rules of ERISA, the Code or any Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under PTCEs 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption, or similar exemptions from Similar Laws. The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by the Issuer or any of its affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan, Plan Asset Entity or Non-ERISA Arrangement generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

## SUPPLEMENTAL PLAN OF DISTRIBUTION

The Notes will be issued pursuant to a distribution agreement under which Barclays Capital Inc., Goldman, Sachs & Co., Incapital LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and any other dealers to the program (each, a “**Dealer**” and, collectively the “**Dealers**”), have agreed to purchase, and we have agreed to sell, the principal amount of Notes set forth in the applicable Terms Supplement. Each Dealer proposes initially to offer the Notes directly to the public at the public offering price set forth in the applicable Terms Supplement. The Dealers may allow a concession to other dealers as set forth in the applicable Terms Supplement. After the initial offering of the Notes, the Dealers may vary the offering price and other selling terms from time to time.

In the future, the Issuer or its affiliates may repurchase and resell the offered Notes in secondary market transactions with resales being made at prices related to the prevailing market prices at the time of resale or at negotiated prices. For more information about the plan of distribution and possible secondary market activities, see “Plan of Distribution” in the accompanying Offering Circular.

The Dealer may use the applicable Terms Supplement, this Product Supplement and accompanying Offering Circular in the initial sale of any Notes. In addition, the Dealer may use the applicable Terms Supplement, this Product Supplement and the accompanying Offering Circular in a secondary market transaction for any Notes after its initial sale. In connection with an offering, any securities dealer may distribute the applicable Terms Supplement, this Product Supplement and accompanying Offering Circular electronically. Unless the Dealer informs the purchaser otherwise in the confirmation of sale, the applicable Terms Supplement, this Product Supplement and accompanying Offering Circular may be used in a secondary market transaction.

To the extent the aggregate principal amount of Notes offered pursuant to the applicable Terms Supplement is not purchased by investors, one or more of our affiliates may agree to purchase for investment the unsold portion. As a result, upon completion of an offering, our affiliates may own an amount of the Notes offered in such offering, as specified in the applicable Terms Supplement.

You should rely only on the information incorporated by reference or provided in the applicable Terms Supplement, this Product Supplement and accompanying Offering Circular. The Issuer has not authorized anyone to provide you with different information. The Issuer is not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this Product Supplement is accurate as of any date other than the date first appearing on the front of the document.

The Notes are being offered pursuant to the registration exemption contained in Section 3(a)(2) of the Securities Act.

No offers, sales or deliveries of Notes, or distribution of this Product Supplement or the Offering Circular or any other offering material relating to Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or any Dealer.



**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,**

**UTRECHT BRANCH**

**MEDIUM TERM NOTE PROGRAM**

**AMENDMENT NO. 1 TO DISTRIBUTION AGREEMENT**

This Amendment No. 1 dated January 3, 2011 (this “**Amendment**”) amends the Medium Term Note Program Distribution Agreement (the “**Distribution Agreement**”) entered into as of May 12, 2010, by and among the Utrecht Branch (the “**Issuer**”) of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative entity established under the laws of The Netherlands with its statutory seat in Amsterdam (“**Rabobank**”), the New York Branch, a branch of Rabobank licensed under the laws of the state of New York (the “**Guarantor**”), and the Agents named therein. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to such terms in the Distribution Agreement.

WHEREAS, the Issuer has requested that the Agents agree to increase the aggregate principal amount of Notes that may be outstanding at any one time to U.S. \$15,000,000,000 as set forth herein; and

WHEREAS, subject to the terms and conditions set forth below, the Agents are willing to increase the aggregate principal amount of Notes that may be outstanding at any one time to U.S. \$15,000,000,000 as set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Amendments to Distribution Agreement. The Distribution Agreement is hereby amended as follows:

a) by replacing “U.S. \$5,000,000,000” in the title and first paragraph with “U.S. \$15,000,000,000”; and

b) adding the following clause to the end of Section 3:

“(n) For the avoidance of doubt, the Agents will not make any request pursuant to Section 3(l) or (m) with respect to any amendments to the Offering Circular in connection with Amendment No. 1, dated January 3, 2011, to this Distribution Agreement.”

2. Representations and Warranties of the Issuer and Guarantor. In order to induce the Agents to enter into this Amendment, the Issuer and Guarantor, jointly and severally, affirm the representations and warranties contained in Section 1 of the Distribution Agreement on the date of this Amendment, which shall be deemed a “**Representation Date**” for purposes of these representations and warranties.

3. Conditions to this Amendment. This Amendment shall not become effective until the Agents receive an officer’s certificate from Rabobank containing the statements required by

Section 5(c) of the Distribution Agreement and a secretary's certificate certifying that the resolution and internal authorization permitting this Amendment are in full force and effect.

4. Governing Law. This Amendment (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Amendment or its formation) shall be governed and construed in accordance with the laws of the State of New York.

5. Counterparts. This Amendment may be signed in one or more counterparts (including by facsimile or electronic transmission), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.


6. Severability. In case any provision in this Amendment is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Any provision in this Amendment that is invalid, illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, prohibition or unenforceability without invalidating any remaining provision of this Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

7. Distribution Agreement. Except as expressly amended hereby, the Distribution Agreement shall continue in full force and effect in accordance with the provisions thereof.

*[Signature Pages Follow]*

IN WITNESS WHEREOF, the Issuer and Guarantor hereto have caused this Amendment to the Distribution Agreement to be executed as of the day and year first above written.

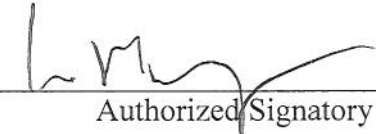
COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEENBANK  
B.A., UTRECHT BRANCH

By:  \_\_\_\_\_  
Authorized Signatory

By:  \_\_\_\_\_  
Authorized Signatory Jason Yan  
Attorney-in-Fact

As Guarantor

COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEENBANK  
B.A., NEW YORK BRANCH

By:  \_\_\_\_\_  
Authorized Signatory William Mansfield  
Managing Director

By:  \_\_\_\_\_  
Authorized Signatory   
Jason Yan  
Vice President

CONFIRMED AND ACCEPTED,  
as of the date first above written:

Barclays Capital Inc.

By:           *Penelope Connelly*            
          Authorized Signatory

Goldman, Sachs & Co.

By: \_\_\_\_\_  
          (Goldman, Sachs & Co.)

Incapital LLC

By: \_\_\_\_\_  
          Authorized Signatory

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

By: \_\_\_\_\_  
          Authorized Signatory

CONFIRMED AND ACCEPTED,  
as of the date first above written:

Barclays Capital Inc.

By: \_\_\_\_\_  
Authorized Signatory

Goldman, Sachs & Co.

By: Goldman, Sachs & Co.  
(Goldman, Sachs & Co.)

Incapital LLC

By: \_\_\_\_\_  
Authorized Signatory

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

By: \_\_\_\_\_  
Authorized Signatory

CONFIRMED AND ACCEPTED,  
as of the date first above written:

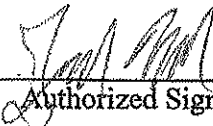
Barclays Capital Inc.

By: \_\_\_\_\_  
Authorized Signatory

Goldman, Sachs & Co.

By: \_\_\_\_\_  
(Goldman, Sachs & Co.)

Incapital LLC

By:  \_\_\_\_\_  
Authorized Signatory

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

By: \_\_\_\_\_  
Authorized Signatory

CONFIRMED AND ACCEPTED,  
as of the date first above written:

Barclays Capital Inc.

By: \_\_\_\_\_  
Authorized Signatory

Goldman, Sachs & Co.

By: \_\_\_\_\_  
(Goldman, Sachs & Co.)

Incapital LLC

By: \_\_\_\_\_  
Authorized Signatory

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

By: \_\_\_\_\_  
Authorized Signatory

