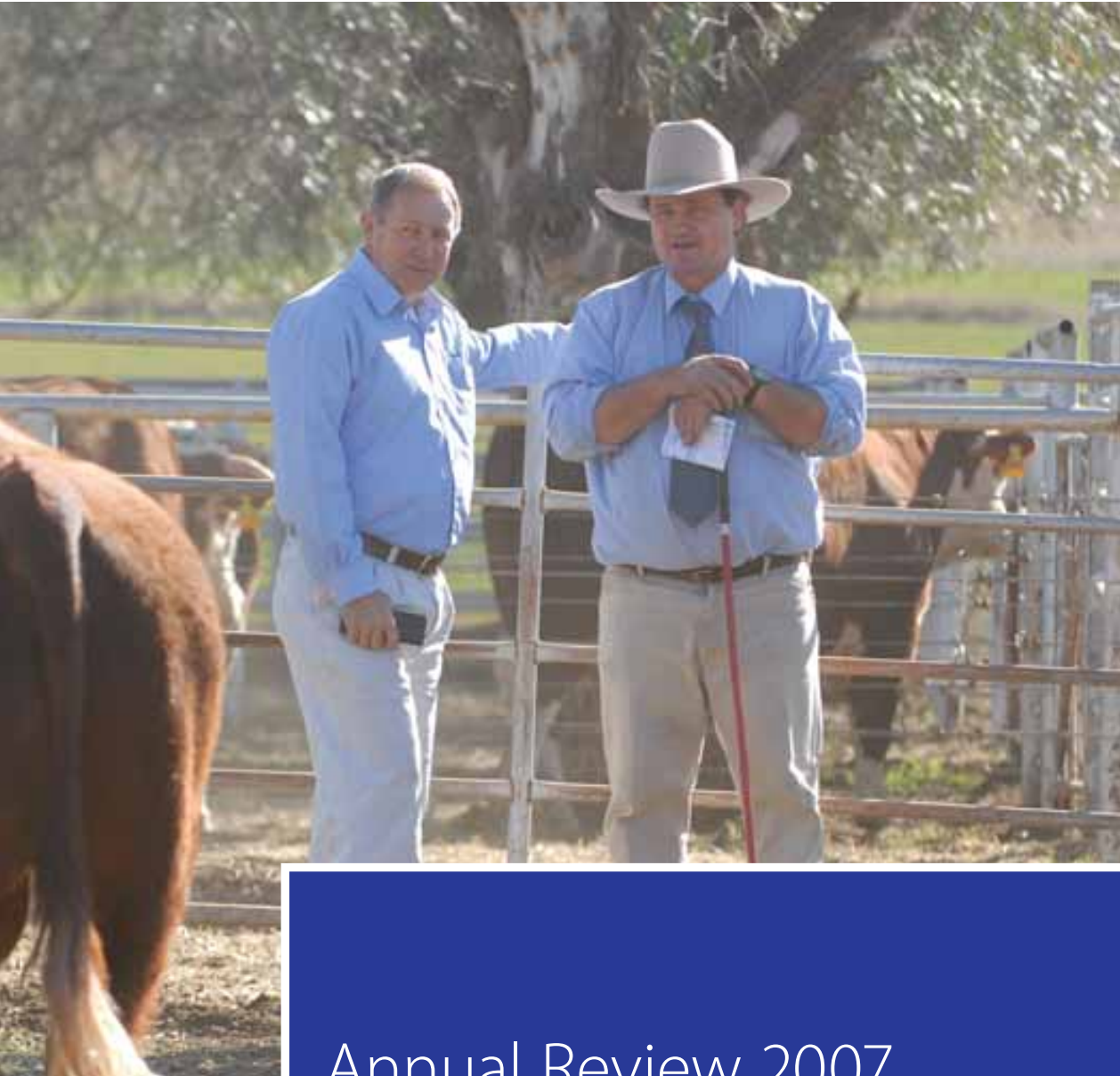




Rabobank



Annual Review 2007

Australia and New Zealand

The world's leading specialist in food and agribusiness banking

Contents

- 2 Foreword
- 4 Rabobank - about us
- 9 Highlights of 2007
- 10 Year in review
- 32 Board and management team
- 36 Global representation

Cover: Graham Yeo, State Manager Northern New South Wales, Rural Banking Australia (left) and Rabobank client Adrian Spencer (right)

Photograph: Paul Mathews

Foreword

In a year marked by the onset of the most severe credit crisis in recent memory and characterised by extreme volatility in many market conditions, it is no small achievement that Rabobank chartered a smooth path through stormy conditions to finish 2007 in a strong position in its core markets in Australia and New Zealand.

This solid performance is testament indeed to Rabobank's unparalleled global financial standing and to the skill, hard work and commitment of our people.

2007 certainly was a year of extremes.

Global agricultural commodity prices reached record highs, driven by reduced supply and increased demand from growing markets in developing countries and an emerging 'new customer'

in biofuels. While in the second half of the year, global financial markets were thrown into unprecedented crisis, triggered by United States sub-prime mortgage defaults. Locally, interest rates rose, while export industries in Australia and New Zealand struggled with high currencies.

In Australia, widespread rainfall saw the winter cropping season begin with much promise. But seasonal conditions failed to live up to initial expectations and much of the country continued the year suffering through ongoing drought. New Zealand too was burdened with its own share of drought, with uncharacteristically dry conditions plaguing the east coast of the country's North Island.

Amidst all this market turbulence though, it is admirable that the vast majority of Rabobank's client base remained sound and healthy, with many continuing to grow and develop. And it is to their continuing success that the bank owes its own positive performance in 2007.

Rabobank achieved solid asset growth of 13 per cent (exchange rate adjusted) to A\$22.8 billion and maintained its pre-eminent position as the leading specialist agribusiness lender in Australia and New Zealand, while extending its footprint into the broader emerging financial services market.

The bank's Corporate Financial Services business recorded strong business growth – a commendable achievement in a year rocked by such extraordinary global financial market turmoil. Notable performances were achieved in the Corporate Banking area, including major mandates successfully executed in the telecom, media and internet sector – a new focus for Rabobank. The bank's Global Financial Markets operation also performed remarkably well in extremely challenging market conditions.

Our Rural lending operations continued to grow strongly in both countries, despite the challenging seasonal conditions facing the agricultural sector and tight competition in rural banking markets. This reflects Rabobank's extraordinarily strong client relationships and the unique value we offer the market with our focus on, and long-term commitment to, the rural sector. As part



of the world's leading food and agribusiness bank, with more than 110 years' experience in the agricultural sector, Rabobank provides unparalleled global and local knowledge and expertise in farming and agribusiness. The bank's superior standing in the agribusiness banking market was recognised yet again this year in strong client satisfaction ratings in both countries. In Australia, for the third year running, Rabobank was rated best agribusiness bank 'on all dimensions by a considerable margin' by the Merrill Lynch Australian Banks Retail Business Franchise Review.

Our Business Banking operations continued to go from strength to strength during 2007, with revenue up 37 per cent and net assets increasing by 28 per cent.

Rabo Financial Advisors (RFA), the bank's specialist financial advisory service, was another success story for the year. Funds under management grew by more than 50 per cent, while RFA considerably strengthened its operations acquiring the business of specialist Sydney-based financial advisory firm Mondo Financial. In another significant milestone, RFA embarked on its first interstate expansion outside the state of New South Wales, establishing operations in the growing Western Australian market.

As part of the bank's on-going development in 2007 we launched an online savings and investment service, RaboPlus in Australia. This Australian launch followed the successful establishment of the RaboPlus business in New Zealand the previous year.

The launch of RaboPlus – based on similar Rabobank direct banking businesses in Europe – is part of our ongoing strategy to leverage the international strengths of our global parent and make them available to Australian and New Zealand clients.

The Rabobank Group's global strength – most particularly the AAA credit rating and ranking of the safest non-government-owned bank in the world – was certainly in evidence last year in the successful capital raising undertaken in the New Zealand market. Local investor appetite from both retail and wholesale markets enabled us to complete the largest non-government debt issue in New Zealand of NZ\$900 million (A\$790 million).

The principles inherent in the global Rabobank Group's cooperative structure and culture were also much in evidence in the many activities we continued to undertake throughout the year to support not only our clients and employees, but the sectors and communities in which we operate. Similarly, the bank's position as a leader in commitment to sustainable practices and corporate social responsibility saw us undertaking a number of initiatives in this area during 2007. These included significant energy and water savings achieved in Rabobank premises and the introduction of a new 'Cultivating People' strategy, designed to promote and support diversity in our workforce and to attract, develop and retain talented employees.

Developing and enriching our people is fundamental to our long-term success. To all our staff we express our thanks for the hard work which has delivered this successful 2007 result and laid strong foundations for the years ahead.

We were fortunate also to welcome on board three new directors during the course of the year – Rob ten Heggeler, from Rabobank International's managing board based in the Netherlands; Ruurd Weulen Kranenberg, deputy CEO of Rabobank Australia & New Zealand and alternate director Harry de Roo, also from the managing board of Rabobank International.

Finally, we would like to acknowledge the loyalty and commitment of Rabobank's clients to the bank.

We are very positive about the outlook for the year ahead and look forward to partnering our clients as they grow and prosper.



James P. Graham AM
Chairman



Bruce Dick
Chief Executive Officer

Rabobank – about us

The world's leading food and agribusiness bank



Rabobank Australia & New Zealand is part of the international Rabobank Group, the world's leading food and agribusiness bank.

Rabobank is one of Australasia's largest rural lenders and a significant provider of corporate financial services to the food and agribusiness sectors in Australia and New Zealand.

Rabobank's success lies in its people and its structure which allows it to leverage its expert knowledge and global strength to deliver superior customer relationships and client value.



The international Rabobank Group

The Netherlands-based Rabobank is among the world's 20 largest financial institutions (based on tier one capital) and is one of Europe's most recognised financial institutions. It is the dominant financial services provider in the Dutch market.

History

Coöperatieve Centrale Raiffeisen-Boerenleenbank BA (commonly known as Rabobank) began as a rural credit cooperative in the Netherlands in 1898, when farmers united to overcome rural poverty by providing finance to help build and support each other's businesses.

Size

In its 110-year history, Rabobank has grown to become a major global financial institution. Rabobank today operates in 43 countries, servicing the financial needs of more than nine million clients worldwide through a network of more than 1500 offices and branches. With headquarters in Utrecht, the Netherlands, the Rabobank Group employs more than 60,000 people around the world.

Financial strength

Rabobank has the highest credit rating of AAA, awarded by international ratings agencies Moody's, Standard & Poor's and Dominion Bond Rating Service. Rabobank is ranked as one of the world's safest banks by *Global Finance* magazine.

Financial performance

In the year to December 31, 2007, the global Rabobank Group recorded a net profit of €2.7 billion (approximately A\$4.5 billion), an increase of 14 per cent on the previous year. Total income rose 14 per cent to €11.5 billion (approximately A\$19.3 billion).

Structure and management

Although now a major international financial services group, Rabobank has retained its cooperative structure, with approximately 174 independent Dutch banks as its members. True to its cooperative origins, the bank's primary interest lies in providing the best service, value and expertise, and in establishing mutually-beneficial relationships with its clients and the communities in which they operate.

Corporate social responsibility

The Rabobank Group is a global leader in sustainable practices and corporate social responsibility (CSR) initiatives. This incorporates a focus on sustainability-oriented banking in areas including renewable energy, biofuels and clean technology. Since 2004, the bank has also run the Rabobank Development Program, a philanthropic program operating in underprivileged and developing countries, which aims to foster economic independence among local communities.

Rabobank Australia & New Zealand

Rabobank Australia & New Zealand is part of Rabobank International, the Rabobank Group's international arm.

Australasian origins

Rabobank established an office in Australia in 1990 and acquired the Primary Industry Bank of Australia (PIBA) operating in Australia and New Zealand in 1994. In 1998, Rabobank reinforced its commitment to the rural sector in New Zealand with the purchase of Wrightson Farmers Finance. The bank has continued to expand and develop its operations in both countries in the years since.

Size

With headquarters in Sydney, Rabobank has 50 branches throughout Australia and 29 branches in New Zealand. As at December 2007, the Group employed over 900 people in Australia and New Zealand, with more than half based in regional locations.

Businesses

Rabobank Australia & New Zealand operates in five core businesses, with a primary focus on the food and agribusiness sector, but also extending into the broader financial services market:

- **Corporate Financial Services** – delivering banking services to large corporations in the food, agribusiness, beverage and related manufacturing and service sectors. The bank also provides services to a select number of corporate clients and financial institutions in broader industry sectors.
- **Rural Financial Services** – providing a range of customised financial products and services to primary producers.

- **Business Banking** – servicing the banking needs of middle market enterprises operating in the food and agribusiness sector and related industries.
- **Rabo Financial Advisors (RFA)** – a specialist financial advisory service designed to assist the financial planning needs of clients in rural, regional and metropolitan markets.
- **RaboPlus** – the bank's online savings and investment service, providing high-interest savings and deposits and direct access to managed funds.

Our vision

The vision conveys our uniqueness and our strengths and provides a sense of unity and direction to unite and inspire the organisation and all of its stakeholders.

"Through our people we will build on our outstanding customer relationships, expert knowledge and global strength to be the most successful food and agribusiness bank and emerging financial services provider in our region."



Our values

We believe the following values should guide all our dealings with our clients, the community and each other.

Integrity and high ethical standards – we are open in our relationships, we do what we say and we act honourably in our dealings.

Performance at the highest level – we focus on delivering strong results and aiming for excellence in what we do.

Respect for each other – we work in a cooperative manner and believe that teamwork is fundamental to a successful enterprise.

Committed to our customers – we apply our expertise to add real value to our clients' businesses and we take the long-term view.

Sustainable and responsible growth – we aim to be environmentally and financially responsible and to do business in a socially accountable way.

The Rabobank approach sets us apart

In line with its food and agribusiness speciality and cooperative structure, Rabobank's approach to business is differentiated by four key principles that convey the bank's uniqueness.

People

Rabobank recognises that people are at the core of what we do – and of the bank's success. As such, Rabobank's vision can be distilled in the one simple message of 'people creating success'.

In recognising the pivotal role that our people play, the bank is committed to providing support from within through leadership training and programs such as 'Cultivating People', with workplace flexibility provisions and other employee benefits. Charged with the responsibility of delivering our 'face' to the world, the quality of our people is paramount – which is why we work to encourage staff development, innovation and team work. The result is a genuine desire in Rabobank to do the right thing by their clients and each other.

Client focus

Rabobank's primary focus lies in providing the best service, value and expertise to its clients. This philosophy is supported by our cooperative structure, which unlike listed companies, allows us the opportunity to gain a deep understanding of clients' businesses and to take a long-term approach to developing a solid, mutually-rewarding relationship.

Our banking specialists work closely with clients and their advisors in the key Australian and New Zealand markets – developing customer relationships that are recognised as the strongest in the industry.

Knowledge and expertise

As a specialist focused on food and agribusiness, Rabobank Australia & New Zealand has an unparalleled knowledge and understanding of the sector in which it operates and clients' individual needs.

Rabobank demonstrates an active approach to both acquiring and distributing knowledge through a number of industry-leading initiatives. These include global research, strategic industry advisory bodies and primary producer business management programs.

This knowledge enables Rabobank to provide clients with benefits which go far beyond traditional banking services – working with them to build their expertise and grow their businesses.

Global strength

As part of the world's leading food and agribusiness bank, Rabobank Australia & New Zealand is uniquely placed to leverage vast international resources and networks for the benefit of local clients. As a result, the bank can also deliver a broad portfolio of global products and a level of expertise far surpassing any others in the market. Rabobank's locally incorporated banks in Australia and New Zealand are respectively the safest banks in Australia and New Zealand, with the backing of their AAA credit rated global parent* and the benefit of the Rabobank Group's 110 years of experience in food and agribusiness banking.

* Rabobank ranked safest non-government owned bank by *Global Finance* magazine 2007.

Highlights of 2007

- Assets up 13 per cent (exchange rate adjusted) to A\$22.8 billion
- Successful Australian launch of specialist online savings and investment service RaboPlus
- Rated best agribusiness bank in Australia 'on all dimensions by a considerable margin' for the third year running by independent Merrill Lynch Business Banking Franchise Review
- Business Banking revenue up 37 per cent
- Rural Banking assets up 12 per cent
- Major expansion of Rabo Financial Advisors with funds under management growth in excess of 50 per cent
- Launch of 'Cultivating people' strategy for bank employees
- New Zealand capital raising exceeded expectation at NZ\$900 million (A\$790 million)



Year in review

Success amid challenging local and global conditions



Corporate Financial Services

Rabobank provides specialist wholesale financial services, primarily to corporations involved in the food, agribusiness, beverage and related manufacturing and services industries.

In 2007, overall, the Corporate Financial Services division recorded impressive business growth in a difficult market environment.

Corporate Clients Group

The Corporate Clients Group provides wholesale banking services to large corporations operating in the food, beverage and agribusiness sectors and to a select number of clients in broader industries. These services include corporate banking, debt underwriting and structured trade and commodity finance services.

Continuing to build on a strategy put in place in 2005 to realign Rabobank's corporate banking business, 2007 saw a further expansion of the group's traditional business activities to include the provision of corporate banking and underwriting facilities to the telecom, media and internet (TMI) sector in Australia and New Zealand.

In 2007, there was strong performance in the corporate banking area, including major mandates successfully executed in the new TMI sector.

Efforts to continue to balance the earnings volatility in the corporate banking business saw new relationships developed in the

food, beverage and alcohol sectors, as well as wholesale distribution, ports and logistics chain.

Despite the well-publicised difficulties in world capital markets throughout the second half of 2007 and into 2008, there is a promising outlook for Corporate Clients Group in the coming year, with a continued strong focus on soft commodity financing.

Leveraged Finance

For the past four years Rabobank has operated a dedicated Leveraged Finance business. This unit specialises in providing tailor-made long-term financing to assist private equity funds acquire mid-to-large-size privately-held or publicly-listed companies in Australia and New Zealand.

In line with the growth of buyout activities in the market, this business has grown steadily since its launch. In 2007, the bank moved to further strengthen this area of business, enhancing the Leveraged Finance team and implementing a number of initiatives to target growth

in the developing private equity market. These developments have ensured the Leveraged Finance business is best placed to build relationships with private equity clients and assume mandates for financing arrangements.

2007 was characterised by a bumpy course with strong activities in the first six months, followed by a period of standstill due to the US sub-prime mortgage crisis, then a modest recovery towards year's end. Nonetheless, taking the year as a whole, the Leveraged Finance business was able to significantly increase its portfolio over 2006 in terms of numbers and volume, with a wide sector spread spanning food and agribusiness, waste management, retail, health care, mining services and equipment hire to paper and packaging.

Due to the continuation of the liquidity constraints, it is expected 2008 will see an emphasis on buyout activity of well-established 'mid-cap' companies which do not rely on offshore financial markets to obtain finance.



Mergers & Acquisitions

2007 – although an active year for the bank's Mergers & Acquisitions division – proved to be subdued in terms of business growth.

While merger and acquisition activity continued in the food and agribusiness sector throughout 2007, it was at a more restrained level in the second half of the year.

Rabobank was involved in a number of mandates in areas including wine, meat processing and dairy.

Moving into 2008, the division has a promising outlook for mandates. In addition, the bank is moving to strengthen the division with new personnel appointments.

Global Financial Markets

Rabobank's Global Financial Markets (GFM) division incorporates three primary business activities – Position Management, Origination & Sales and Securitisation.

Despite major market issues in the second part of the year arising from the United States sub-prime crisis, the GFM division performed well throughout the year.

Position Management

This area of GFM manages market risk and the daily funding and liquidity of Rabobank's balance sheet (including wholesale funding programs), as well as managing the bank's capital base. Rabobank finished the year with its balance sheet having grown to A\$23 billion.

In 2007, the bank raised in excess of A\$1.2 billion in funding under its domestic and global medium-term note (MTN) programs for terms up to 13 years. MTN issuance included an inaugural NZ\$200 million in the New Zealand market and A\$380 million of Consumer Price Index-indexed notes, the first by a non-government issuer in Australia.

The United States sub prime-led credit crunch disrupted global financial markets during the second half of 2007. Rabobank's well-diversified funding base provided a stable ongoing source of funding throughout this period.

Origination & Sales

The Origination & Sales group provides products and services to assist the bank's corporate, business banking and rural clients manage risk relating to interest rates, foreign exchange and soft commodity price fluctuations. Products include interest rate hedging, foreign exchange facilities and commodity price risk management.

In 2007, the group recorded reasonable business performance, though this was impacted by the reduced price activity in commodity markets compared to the previous year. Higher grain prices in 2007 saw some interest in cover, but this was tempered by production levels being revised down due to continuing drought in Australia.

In the foreign exchange markets, volatility saw significant range activity and some good opportunities were created for both the import and export sides of the market.

Interest rates risk management opportunities were based mainly around the perceived stage of the prevailing rate cycle and whether or not central banks would continue to push rates higher locally while managing the impact of global concerns.

Moving into 2008, the Origination & Sales group sees considerable opportunities for customers as volatility levels continue to create uncertainty and the need to hedge becomes more focused on securing acceptable forward pricing in all markets.





Securitisation

2007 saw continuing development of Rabobank's GFM Securitisation business. The business – which was formally launched in 2006 – encompasses structured note origination and distribution, securitisation and specialised financing. The Securitisation business performed well through the course of 2007, finishing ahead of budget which was a strong result in light of the deteriorating global credit environment witnessed in the third and fourth quarters of the year.

Major transactions undertaken for clients included the ongoing securitisation of a large rural loan portfolio, specialised financing for a local bank and a structured capital guarantee for a global fund manager.

The weak and volatile credit environment has placed significant stress on global

securitisation markets, however attractive specialised financing opportunities and a number of promising structured note transactions and warehousings are in the 2008 pipeline. Additionally, the continued strength of Rabobank Group will increase demand for Rabobank capital protection in the coming year.

Trade & Commodity Finance

Trade & Commodity Finance is responsible for the provision of specialised finance to Rabobank's importing and exporting client base, as well as delivering leading-edge bespoke structures for the finance of bulk commodities produced and/or processed by the bank's clients. The Trade & Commodity Finance operation in Australia and New Zealand is part of Rabobank's global Trade & Commodity Finance business. The group works very closely with the Rabobank global network

to assist customers in mitigating the risks of international trade.

While the ongoing drought in Australia greatly reduced the amount of agricultural exports available for trade finance, the Trade & Commodity Finance business was very active during the course of 2007 completing several significant innovative transactions involving various agricultural commodities.

Rainfall in the latter part of the year in Australia has provided promise of a return to a more normal level of production for the bank's clients in 2008.

This is expected to result in an increased flow in Trade & Commodity Finance business in the year ahead.



Rural Financial Services

Rabobank's Rural Financial Services business continued to grow strongly in 2007 despite persistent drought in Australia.

The business finished the year with net asset growth of 12 per cent, with total loan assets growing to almost A\$13 billion. This saw Rabobank solidify its standing as the pre-eminent food and agribusiness bank and one of the leading lenders to rural Australia and New Zealand.

Rabobank's Rural Financial Services business provides specialist financial products and services to primary producers throughout Australia and New Zealand. These include rural loans, equipment finance, seasonal finance, harvest loans, farm management deposits, retail deposits and risk management services.

Rural Australia

Despite continuing tough market conditions during 2007, growth in new customers and continued expansion among existing clients saw Rabobank's Australian rural business grow strongly, with loan assets increasing by nearly 12 per cent.

The bank remained the number two lender to primary producers in Australia with approximately 20 per cent of total market share.

The 2007 cropping season had an exceptional start, however much of the country then suffered through a dry winter and spring. This resulted in a poor finish and yields were adversely impacted with total production reduced by 50 per cent.

The continuing drought was damaging for livestock producers who, already struggling with the impact of a stronger Australian dollar, had little pasture and were forced to either purchase expensive feed or sell breeding stock. As a result, livestock prices were unable to keep pace and under-performed throughout the year.

Irrigated farmers were also badly affected, with significantly reduced water allocations in many areas.

Against this background, it is a testament to the strong management and business skills

of Rabobank's clients that they were able to manage through the challenges of the year so well and, in many cases, for more than just one season.

For the third consecutive year, Rabobank was rated as the best agribusiness bank by the independent Merrill Lynch Australian Banks Retail Business Franchise Review, which described the bank as the strongest franchise on all dimensions by a considerable margin*. This result reflects the bank's long-term commitment to employing the highest-calibre of agribusiness managers and delivering excellence in specialised service and products for the rural sector.

As part of the bank's focus on providing additional value to its clients in rural Australia, Rabobank expanded its presence during the year to include locations in Dalwallinu, Western Australia; Leongatha, Victoria; and Hobart in Tasmania.

The bank also significantly increased access to its transactional services throughout rural Australia during the year. In December, Rabobank announced it had joined forces with Australia Post to provide the bank's rural clients with access to business banking services through more than 1300 Australia Post outlets across the country.

As a specialist agricultural lender, Rabobank takes a long-term view of clients' businesses

through the highs and lows of the agricultural cycle. And despite subdued activity across some agricultural sectors due to seasonal conditions, Rabobank continued to be active across all industries and regions in expanding its client base and supporting existing clients.

While the lack of rainfall in 2007 was damaging and particularly frustrating in light of the exceptional performance of many agricultural commodity prices through the year, expectations are for prices to remain high in 2008, which will provide hope that industry losses in recent years can be recovered given a return to normal seasons.



* Merrill Lynch Australian Banks Retail Business Franchise Review, April 2007.

Rural New Zealand

Rural New Zealand recorded a strong year of business growth during 2007, in a rural banking market that continued to be highly competitive. At the end of 2007, Rabobank achieved net portfolio growth of more than 14 per cent for the year. Credit quality in the portfolio was excellent and the business pipeline remained very strong.

The bank remained the third largest lender to the rural sector in New Zealand with a 15 per cent market share.

2007 was a mixed year for New Zealand's farmers. The dairy industry enjoyed buoyant international markets, with the record milk payout forecast by Fonterra of NZ\$7.30/kg milk solids. Meanwhile, the meat industry was challenged by a high currency, taking the edge off improving international markets, combined with dry seasonal conditions, particularly along the east coast of the North Island. Significant dairy conversions took place, predominantly in the South Island, as

primary producers reassessed the relative returns available in the dairy and meat industries. The deer industry enjoyed a return to better prices, as lower stock numbers and supply impacted markets.

The high New Zealand dollar made conditions particularly challenging in the horticulture sector, with both kiwifruit and pip fruit industries seeing lower prices compared to the previous year. Conversely, robust demand and growing exports resulted in the wine sector enjoying another strong year of growth.

2007 also saw difficult economic conditions for farmers and their supply chain partners. The combination of the New Zealand dollar at record high levels and four successive interest rate increases by the Reserve Bank of New Zealand hindered farm gate prices and lifted farm working expenses.

Rabobank's response to challenging industry conditions remained focused on strong client relationships and financial

support. While continuing to lift dairy lending during 2007, including more than 30 dairy conversions in the South Island, Rabobank reaffirmed its long-term commitment to the New Zealand meat industry, despite difficult conditions.

This ongoing commitment to clients resulted in Rabobank achieving the highest rating from customers for overall bank performance. Independent research by TNS New Zealand found that, when asked to consider everything that a farmer looks for in a rural financier, Rabobank clients consistently rated Rabobank higher than the clients of other major New Zealand banks rated their financial institutions*.

Despite the challenges facing the country's producers, farmers finished 2007 with the highest December levels of rural confidence since the commencement of the Rabobank AC Nielsen Rural Confidence Survey in 2001, indicating an optimistic outlook for the future.

* TNS Conversa, Agribusiness market, December 2007. Comparing ratings (of 9 or 10 out of 10) by the Main Bank clients of the five major NZ banks.



Business Banking

Rabobank's Business Banking division provides tailored financial services to middle-market enterprises in the food, agribusiness, beverage and related manufacturing and services sectors operating in both Australia and New Zealand.



The Business Banking division recorded a strong year in 2007, with revenue up 37 per cent year-on-year and net assets increasing by 28 per cent.

Launched in 2001, Rabobank's Business Banking clients include processors, cooperatives, retailers, wholesalers and exporters. The division provides working capital and term debt, equipment finance, trade and commodity finance and risk protection facilities.

Business Banking enjoyed a strong channel of business throughout the year, with a marked increase in transaction sizes as the bank's growing reputation in food and agribusiness provided increased opportunity.

All regions performed above expectation, with New Zealand showing particularly strong growth.

During 2007, a comprehensive review of Business Banking was undertaken. Drawing input from a wide range of Rabobank stakeholders, the review examined the development of the business since its establishment and explored the strategic options available to the bank in the broader business banking markets of Australia and New Zealand. As a result of this review, Rabobank has developed a blueprint to accelerate the growth of Business Banking.

From early 2008, Business Banking will investigate the expansion of its regional presence, with the addition of relationship managers to selected existing branch locations in Australia, both in New South Wales and Victoria. Business Banking will also build on its food and agricultural knowledge to broaden its client focus including businesses that are closely adjacent to food and agribusiness markets, as well as into regional services.



Rabo Financial Advisors

A specialist financial advisory service with a focus on building close relationships with its clients, Rabo Financial Advisors (RFA) was established in 2002.

During 2007, RFA maintained a clear focus on the financial advice market achieving very strong growth in total funds managed for clients. Overall, funds under management grew in excess of 50 per cent to nearly A\$450 million.

In July, Rabobank strengthened its operation by acquiring the business of Mondo Financial, a specialist Sydney-based



financial advisory operation focused on high value clients. Mondo Financial's clients and highly-experienced staff were retained by Rabobank, complementing its own existing, predominantly rural-based RFA business. This business has now been fully integrated into RFA and is operating out of the Rabobank Sydney headquarters, strengthening its financial advisory presence in the Sydney market.

during the year, with RaboLife's services now being actively offered by all RFA advisers and supported by specialist insurance advisors in New South Wales and Western Australia.

Looking forward, the RFA business plans to continue expansion through its existing 16 authorised representatives (advisors) and through new business acquisitions.



In another milestone in 2007, RFA announced the expansion of its services into Western Australia – RFA's first presence outside the New South Wales market.

RaboLife – the specialist risk insurance business for the rural and regional market that came under full Rabobank ownership in 2006 – was also integrated into RFA

The most immediate focus is to build a presence in regional Western Australia and Queensland. Through this continued expansion, RFA will continue to offer its relationship-based service, complemented by a strong and impartial investment process that has proven successful for its clients.

RaboPlus

Rabobank's specialist online savings and investment service is taking Rabobank beyond its traditional food and agribusiness focus.

2007 saw the successful launch of RaboPlus, Rabobank's specialist online savings and investment service, in the Australian market.

The launch of *RaboPlus.com.au* in May followed the successful establishment of *RaboPlus.co.nz* in the New Zealand market the previous year.

Based on similar direct banking businesses run by the Rabobank Group in Belgium and Ireland, RaboPlus represents a significant expansion of Rabobank into the broader financial services market and considerably increases the bank's urban profile in New Zealand and Australia.

Both the Australian and New Zealand RaboPlus businesses completed the year strongly and are already funding approximately 13 per cent of the group's balance sheet for Australia and New Zealand.

Moving into 2008, the Australian business will follow in the footsteps of *RaboPlus.co.nz*, building its brand with the launch of a major marketing campaign, including television advertising.

RaboPlus and related deposit products are issued by Rabobank Australia Limited ABN 50 001 621 129, AFSL 234700. Read the IDPS Guide and Terms and Conditions at raboplus.com.au when deciding if they are appropriate for you to acquire or keep.



Supporting our clients with knowledge and expertise in food and agribusiness

As the world leader in specialist food and agribusiness banking, Rabobank is uniquely placed to provide clients with access to the latest expertise, research and information on food, agriculture and agribusiness.

In Australia and New Zealand, the bank provides a range of value-added knowledge services to support clients in their business growth and development.



Food & Agribusiness Research and Advisory

Rabobank employs an international team of analysts in its Food & Agribusiness Research and Advisory (FAR) division, specifically focused on producing comprehensive, world-class research and analysis for the bank and its clients.

The FAR division includes a locally-based team focusing on the key agricultural sectors and trends shaping the industry in Australia and New Zealand. Material produced by the local FAR division includes research on the latest innovations and management practices in food and agribusiness, sector and commodity issues, international and domestic market trends and future industry developments. The FAR division is also responsible for farm business management programs offered by the bank.

Throughout 2007, Rabobank Australia & New Zealand's FAR analysts produced a comprehensive range of research material, including Global Focus Reports and Industry Notes on topics such as fertiliser, wine, meat processing and sustainable agriculture.

The bank's analysts delivered 162 presentations to approximately 11,500 bank clients and others in the wider agricultural community.

In addition the FAR team was proactive in providing extensive market commentary for a range of media throughout Australia

and New Zealand. This included an increasing focus on high-profile television interviews and further embedded the Rabobank brand as the leader in food and agribusiness in Australasia and globally.

2007 saw FAR working increasingly closely with Rabobank's Global Financial Markets' (GFM) commodity groups in London, New York and Sydney to leverage the value of the bank's global research network. This provided the organisation with valuable market analysis, as well as branding support to the GFM group to assist it in enhancing business performance.

FAR was also active during the year in driving the bank's knowledge development and internal education regarding climate change and carbon issues – a focus which will be ongoing.

The FAR division is seeking to further enhance its value to the business in 2008. This includes planning a strong program of reports for clients and an increased focus on media, including regular interviews on the Sky News Business Channel in Australia.

Visiting experts

The bank's unique Visiting Experts program, coordinated by the FAR division, brings to Australia and New Zealand some of the world's leading food and agribusiness specialists to share their knowledge with Rabobank clients and the wider community.

In 2007, Rabobank brought to Australasia:



- Rodolfo Hirsch, director, FAR, Rabobank Sao Paulo, Brazil
- Osvaldo Cappellini, president of the Argentina Dairy Industry Federation
- Dr Roberto Vázquez Platero, former Uruguayan Minister for Agriculture
- Professor David Hughes, emeritus professor of Food Marketing at Imperial College, London
- Deborah Perkins, managing director, FAR, Rabobank New York
- Michael Whitehead, vice president, FAR, Rabobank New York
- Arend Heijbroek, global industry specialist wine & spirits, FAR, Rabobank Netherlands.



Promoting excellence in food and agribusiness

Throughout 2007, Rabobank continued its involvement in a wide range of activities to support and further the interests of agriculture and agribusiness in Australia and New Zealand.

These included educational programs for farmers, surveys to measure rural sector sentiment and an extensive range of industry sponsorships.

Cultivating business skills in the farm leaders of today and tomorrow

The bank runs two unique business management programs designed to assist progressive primary producers at different stages of their farming careers to develop their leadership and management skills.

Rabobank Executive Development Program

The Rabobank Executive Development Program (EDP) brings together innovative, progressive primary producers from a range of enterprises around Australia and New Zealand to further develop their business management skills and explore growth strategies for their farm businesses.

In 2007, the EDP ran its eleventh course, bringing the total number of farmers who have now participated in the program to more than 400.

Demand for EDP places continued to be strong, with the 2007 program over-subscribed.

Run over 12 months, the EDP comprises two week-long residential modules covering subjects including farm business management, business strategy, financial

analysis, risk management, negotiation, marketing, succession planning, human resources and work life balance.

Each year, the program is reviewed to ensure the course content remains relevant and up-to-date and reflects the business skills required to meet the changing environment. Participants are encouraged to complete a project after the first module, applying their new learning to their own businesses, with a cash prize awarded to the project judged to be the best.

The EDP also runs a strong alumni program of past graduates. The 2007 EDP Alumni Program 'Evolution, Innovation and Issues Management' was held in Moree, New South Wales in March. A total of 36 past participants and their partners travelled from across Australia and New Zealand to participate in four days of classroom sessions and local farm tours.

The key highlights for participants included the opportunity to reconnect with past EDP participants, both from their own course and other programs, and to learn from – and discuss new opportunities with – a group of successful Australian and New Zealand farmers. One participant was noted to say: "I come to the EDP Alumni events for my regular injection of enthusiasm".

Rabobank Farm Managers Program

Launched in 2006, the Rabobank Farm Managers Program (FMP) is a business management course specifically designed for participants aiming to take ownership

and management control of a farm business in the future.

Created as a sister program to – and using the successful formula of – the Rabobank Executive Development Program, the FMP is a five-day residential course designed to assist participants to develop the business skills necessary to evolve into the leading primary producers of tomorrow.

In its second year of operation in 2007, the FMP crossed the Tasman, with Course 2 held in Christchurch, New Zealand. This was the first of the Rabobank business management programs to be held in New Zealand and was attended by participants from across Australia and New Zealand.

Demand for the program was strong, with applications more than double the available 36 places.

As with the EDP, the FMP course content is reviewed annually to ensure it remains relevant and up-to-date, and each year participants are requested to complete a project applying their learning to their own businesses.

A new initiative in 2008 will see the 2007 FMP project award presentations form part of the 2008 program. The short-listed 2007 participants will travel to Christchurch, New Zealand, to present their projects to both the judges and the new intake of young farmers for FMP Course 3.



"Absolutely fantastic – one of the most challenging and fun weeks of my life, thank you. The EDP opened my eyes to areas in my business that needed to be looked at."

Jane Dunicliff, Elliott, Northern Territory, Australia, EDP Course 11, 2007

Rabobank Rural Confidence Surveys

Established in Australia and New Zealand in 2000, the Rabobank Rural Confidence Surveys are widely regarded as the definitive measures of farmer confidence in Australia and New Zealand.

Conducted quarterly in Australia and bi-monthly in New Zealand, the Rabobank Rural Confidence Surveys are the longest running and most robust studies of their type, focused on tracking outlook and general sentiment among primary producers.

Throughout 2007, Australian rural confidence was found to be highly volatile and, for the most part, constrained by ongoing dry conditions around much of the country. Though confidence recovered from the record low level recorded in November 2006, by year's end it had dipped to a negative level, with more

farmers expecting conditions to worsen than improve. Despite this perception, seasonal conditions in early summer were favourable, leading to the expectation that farmer confidence – as well as income expectations and investment intentions – would rebound strongly in early 2008.

In New Zealand, rural confidence strengthened throughout 2007, reaching its highest level since 2000 before easing late in the year. Buoyant international commodity prices, particularly for dairy products, boosted farmer optimism despite the continuing strength of the New Zealand currency. However, dry seasonal conditions and lower income expectations from sheep and beef farmers saw confidence decline in the final survey for 2007. Farmer confidence in 2008 is considered likely to be restrained by climatic conditions and the high New Zealand dollar, despite the strong demand for agricultural products globally.

Sponsorships

As part of Rabobank's strong commitment to the food and agribusiness sector in which it operates, the bank is an active sponsor of a large number of activities and events across a range of agricultural commodities and agribusiness industries.

In 2007, the bank continued to support sponsorships ranging from local community activities to large-scale national events. Major sponsorships included:

Australia

Rabobank Leadership Award Dinner

The Rabobank Leadership Award Dinner has become one of the most important events on the food and agribusiness industry calendar. The dinner brings together leaders from the Australian and New Zealand food, beverage and agribusiness sectors for the presentation of the annual Rabobank Leadership Award. This prestigious award is peer-nominated and recognises the contribution of corporate leaders in the food and agribusiness industries. 2007's award winner was Max Ould, chairman of major listed food company Goodman Fielder. Special guest speaker at the dinner was Guillaume Bastiaens, vice chairman of Cargill USA, who spoke on the future of biofuels and their impact on global agriculture.

Nuffield Scholarship

2007 marked Rabobank's eleventh year as a sponsor of the Australian Nuffield Farming Scholars' Association scholarships,



an important demonstration of the bank's investment in agricultural knowledge development. The scholarships give a select group of Australian farmers the opportunity to travel internationally to explore agricultural issues and opportunities in a global context. This year's Rabobank-sponsored Nuffield scholarship was awarded to Jane Bennett from Ashgrove Cheeses in Elizabeth Town, Tasmania. As part of her global tour, Jane is studying trends in regional product development as well as point-of-difference branding and distribution channels for regional produce.

Australian Farm Institute

An independent farm policy research body, the Australian Farm Institute aims to enhance the economic and social wellbeing of farmers and the agricultural sector in Australia by conducting robust public policy research and promoting the outcomes to policy makers and the wider community. Rabobank is a gold corporate sponsor of the institute.

Australian Cotton Shippers Association Conference

Rabobank was a major sponsor of the Australian Cotton Shippers Association Conference. The theme of this biennial conference was '40 length 40 mic 40 strength', with the event providing an opportunity for Australian cotton growers to assess the outlook for the cotton industry, as well as look at key opportunities for Australia to fill the super-premium upland niche market.

Australian Dairy Conference

The 2007 Australian Dairy Conference was held in Launceston, Tasmania and attracted 140 delegates, including dairy farmers and service providers. With a theme of 'Milk, Honey and Management,' the event provided two days of presentations and trade activity. Rabobank presenters included Food & Agribusiness Research and Advisory senior dairy analysts Tim Hunt (Australia) and Hayley Moynihan (New Zealand), as well as Rural state manager, Victoria and Tasmania Mark Bennett. Presentation topics ranged from biofuels and carbon trading to how to attract and retain staff.

Australian and New Zealand Dairy Cooperatives Leaders' Forum

This forum provides directors and senior managers from Australian and New Zealand dairy cooperatives with an annual opportunity to explore important industry issues and hear from leading national and international dairy experts. Topics addressed at 2007's forum included: market conditions/trade situations and the current outlook, a potential vision of the Australian/New Zealand Dairy industry in 2017, climate change, water impacts, China and South America position in the global dairy market and the global impact of genetically-modified organisms (GMOs).

CEDA 'Fertile Futures' forum

Rabobank was the sole sponsor of CEDA's (Committee for Economic Development of Australia) forum on 'Fertile Futures - Challenges for Rural and Regional New



South Wales (NSW)'. The keynote speaker was Dr Col Gellatly, chair, NSW Rural and Regional Taskforce, who discussed the critical issues and opportunities set to influence NSW's rural and regional economies. Other speakers included: Karen Schneider, deputy executive director ABARE; Gary Johnston, NSW Farmer of the Year 2006; and Leigh Radford, national editor, ABC Rural Radio, Australian Broadcasting Corporation.

New Zealand

Rabobank Romeo Bragato Conference

Romeo Bragato is New Zealand's major wine industry conference. In addition to being a principal sponsor of this landmark event for the past five years, Rabobank organises an international visiting expert to address the conference. In 2007, the Rabobank keynote speaker at the Auckland-held conference was Peter Berry, a respected, Sydney-based corporate strategy consultant who presented on developing a sustainable business plan. The conference was attended by 600 delegates.

Rabobank Horticulture New Zealand Conference

The Horticulture New Zealand Conference is the annual showpiece of the New Zealand horticulture industry. As part of its



commitment to the sector, Rabobank is the principal sponsor of this conference and provides an international speaker to deliver a keynote address. The 2007 speaker was Deborah Perkins, managing director, Food & Agribusiness Research and Advisory, Rabobank New York.

South Island Dairy Event (SIDE)

SIDE is a leading event in the dairy farming calendar, with a focus on all levels of dairy farming. SIDE covers a wide range of topics, while maintaining a focus on key industry issues. As a gold sponsor of this event, Rabobank has been involved with SIDE since its inception. Rabobank Food & Agribusiness Research and Advisory senior dairy analyst Tim Hunt (Australia) was this year's keynote speaker presenting on 'Quenching the thirst for milk'.

Nuffield Farming Scholarship Trust

Rabobank continued to be a major corporate sponsor of the Nuffield Farming Scholarship Trust in New Zealand in 2007. Nuffield Scholarships support innovative farmers to develop leadership skills and travel internationally to study the latest developments in a number of leading agricultural countries.

Smedley Station Rabobank Scholarships

The Smedley Station program, run for more than 75 years, provides selected cadets with quality agricultural training over two years. Based on the 2,700 hectare Smedley Station, which was given to the country for use as a training facility, the program gives cadets exposure to a broad spectrum of farming theory and practice. In 2007, 10 outstanding Smedley Station cadets

were awarded scholarships to further their agriculture studies at university.

Lincoln University Foundation Farmer of the Year

Rabobank has been the principal sponsor of the Lincoln University Foundation Farmer of the Year competition for the past 11 years. Established 20 years ago, the competition promotes excellence and innovation in agriculture.

Aquaculture New Zealand

In 2007, the bank supported the formation and launch of new industry body Aquaculture New Zealand, which represents the consolidated aquaculture industry.

Investing in our business capabilities

2007 saw considerable focus throughout the bank on continuing to develop our people, our infrastructure and our positioning in the marketplace.

Our people

Rabobank's strength comes from the people it employs. The bank aims to engage and retain the highest calibre of employees in all areas of the organisation – from agribusiness banking specialists working in rural branches to staff in functional support areas in head office.

As such, a major priority for Rabobank is the provision of excellent working conditions, terms of employment and ongoing training and development for its people.

The bank continued to run its Leadership for High Performance program over the course of 2007. This program – which is part of a global initiative – has been a major investment over the past two years, designed to ensure Rabobank's managers are equipped with the high level of

leadership skills needed to best fulfil their roles. The program comprises a 360-degree feedback survey followed by two three-day training modules. In 2007, 19 three-day modules were conducted, along with an additional program for the bank's senior management team.

During the year two major skills development initiatives for employees were implemented in the bank's Rural Financial Services division – Marketing Excellence, and Credit and Legal Skills Training. The Marketing Excellence program was developed to create a blueprint for sales excellence within Rabobank and promote best-practice marketing standards within this business division. The program was fully implemented in New Zealand and 50 per cent implemented in Australia throughout the course of 2007. Credit and Legal Skills Training – which comprises



a two-and-a-half-day program in the 'fundamentals' of legal and credit matters – was completed by more than 200 employees in Australia and piloted in New Zealand.

These programs will be completed by all Rural Financial Services division employees in 2008.

The bank continued to support its people through individual development plans, structured objectives and feedback through its online performance system *easy*.

A number of employees travelled overseas to participate in study exchanges and international Rabobank Group programs, including a project in Mozambique to help local development as part of the Rabobank Development Program.

A significant milestone in 2007 was the launch of the bank's 'Cultivating People' strategy, which was established with the four broad goals of:

- increasing the number of women in leadership positions
- developing a culture that supports diversity
- developing policies and programs that support diversity and
- attracting, developing and retaining talent.

The first initiative to be launched as a part of this strategy, in May, was paid parental leave. This included 14 weeks paid maternity leave and two weeks paid paternity leave. In New Zealand, this is additional to government-funded parental leave already in place.

Our infrastructure

Rabobank continued to invest in developing its rural branch network throughout the year. This included the establishment of two new branch offices in Leongatha, Victoria, and Dalwallinu, Western Australia, as well as the relocation or refurbishment of eight existing branches in order to accommodate business growth.

By year's end, the bank had 50 locations in Australia and 29 in New Zealand.

After relocating to new premises at Sydney's Darling Park in December 2006, head office employees adjusted well to the new location in 2007. In particular, the open-plan working environment has encouraged enhanced communication and information sharing. Strict policies on waste management and energy consumption were also implemented.

In the area of IT systems, major projects were undertaken during 2007 for the bank's Global Financial Markets and Rural Financial Services divisions, enabling extended internet transaction capability, more secure controls and improved reporting.

Of particular note was the implementation, in September, of the globally-established treasury management system Calypso for Australian and New Zealand foreign exchange/money market products. This was the first implementation of this Rabobank system outside of the Netherlands and was successfully delivered on time, within scope and to budget.

New projects to upgrade or replace several existing core banking applications were also initiated during 2007, including the Globus T24 project for Business and Corporate Banking transactions, the Loan Origination project (for Rural Banking) and a new Financial Data Warehouse project (for Financial Control).

In the IT infrastructure area, the bank continues to enhance security controls, seek efficiencies and improve customer experience. A number of projects and initiatives were finalised in 2007 to deliver on these goals. The most significant was the completion of Enterprise Monitoring, a system which monitors the overall availability and performance of systems within the bank. In October, a review of the bank's telecommunication services resulted in cost efficiencies and the replacement of obsolete CDMA mobiles for staff in rural branches. Ambitious monthly security



compliance targets were also set and achieved to protect the bank's systems from the continued increase in external security threats and computer viruses.

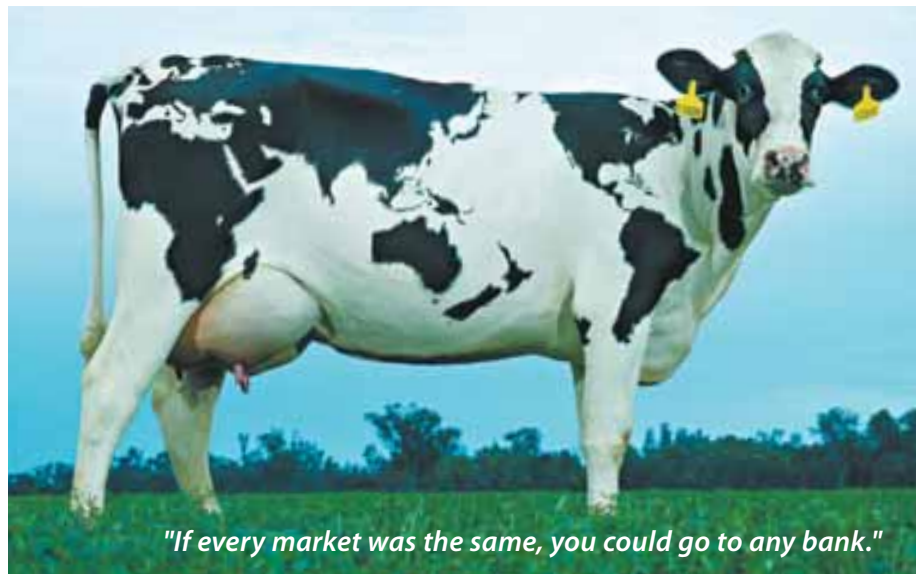
In addition, a corporate social responsibility initiative resulted in a noticeable reduction in energy consumption through the programming of system software. This remotely turns off all the bank's computers in the evening. Further, the bank commenced the replacement of office printers, faxes and scanners with energy-saving multi-function devices in branch locations.

New projects to upgrade operating system software on all of the bank's computers, enhance storage system capabilities and reduce energy consumption within data centres were also initiated during 2007.

Our brand

Since 2003, Rabobank has undertaken annual brand and advertising tracking studies to measure its brand presence in Australia and New Zealand. In 2007, Rabobank's brand positioning as the leading food and agribusiness banking specialist strengthened in both countries.

In Australia, the bank continued to lead the market across most relationship and service-related attributes and is perceived by clients as being the best 'value for money' bank.



In New Zealand, unprompted and prompted awareness of Rabobank advertising increased significantly during 2007, benefiting from the popularity of RaboPlus and a strong rural banking campaign.

Another highlight for 2007 was Rabobank's rating as 'best agribusiness bank' in Australia, for the third year running, by the independent Merrill Lynch Australian Banks Retail Business Franchise Review. The Merrill Lynch review once again said: "Looking across a range of franchise

measures incorporating service, advice, product, response and growth momentum, Rabobank is rated the strongest franchise on all dimensions by a considerable margin".¹

In New Zealand, research reported by independent research agency TNS Conversa showed Rabobank holding the leading position for performance attributes including value for money, knowledge and expertise and understanding the needs of clients' business.²

¹ Merrill Lynch Australian Banks Retail Business Franchise Review, April 2007.

² TNS Conversa, Agribusiness market, December 2007. Comparing ratings (of 9 or 10 out of 10) by the Main Bank clients of the five major NZ banks.

Corporate social responsibility

The Rabobank Group is a global leader in commitment to sustainable practices and corporate social responsibility (CSR) initiatives.

Defined as the way a company conducts its business, CSR plays a prominent role in Rabobank's global strategy, from its sustainability-oriented banking practices to its international philanthropic activities and the conditions it provides for its own employees.

The Rabobank Group aims to not just maintain, but to strengthen its leading position amongst international sustainability-oriented banks.

In 2007 in Australia and New Zealand, the bank continued to build on a number of CSR developments.

In our 'own house'

Early in the year, internal environmental management was highlighted as a priority within the bank's core business, with

significant success subsequently achieved in reducing the overall consumption of water and energy. Following Rabobank's move to new head office premises in Sydney's Darling Park Tower 3 in late 2006, the bank has reduced its electricity consumption by 23 per cent.

Rabobank has also been successful in working with suppliers to create sustainable partnerships, resulting in the bank's Sydney head office now meeting 25 per cent of its energy needs from 'green power'.

Attached to this is the bank's commitment to develop its Supply Chain Management System, which aims to ensure organisations in the bank's supply chain operate in a responsible environmental and social framework.

Signalling its commitment to family-friendly policies and as part of the bank's 'Cultivating People' strategy, Rabobank Australia & New Zealand launched its new paid parental leave scheme in May 2007 for new parents.

Another major development for 2007 was the introduction of an internal CSR Project Network, which involves representatives from many of the business units within the bank. This team is now playing an integral role in ensuring CSR-related activities are effectively implemented within the core business operations.

Additionally, 2007 saw the formation of a cross-departmental climate change group. Headed by a senior analyst from the Food & Agribusiness Research and Advisory





division, the group's aim is to further explore the sustainability area and facilitate education and dialogue with management and clients, as well as to scope climate change risks and opportunities relevant to Rabobank.

'Rabobank in the Community' program

The bank continued to maintain its social commitment through the 'Rabobank in the Community' Program, with employees embracing the two core initiatives – Community Leave and Workplace Giving – which see bank personnel sharing their time and skills with a non-profit organisation or making a financial contribution to an official charity partner.

Community Leave provides for every permanent Rabobank employee in Australia and New Zealand to volunteer one working day annually with a non-profit organisation in which they have a personal interest. During 2007, more than 70 per cent of the bank's employees participated in this program. Volunteering projects ranged from preparing and serving meals for the Salvation Army to selling merchandise to raise funds for the Starlight Children's Foundation.

Participation in Workplace Giving – which enables employees to donate directly from their pay to a range of charities with



donations being matched by the bank – was again embraced by Rabobank in 2007, with a 45 per cent increase in employees regularly donating compared to 2006.

Social partnerships

The bank's partnership with the Royal Flying Doctor Service in Australia entered its second successful year in 2007, with many employees again volunteering their time to help out at the organisation's open days held at its bases around Australia. Rabobank became a founding member of the 'Friends of the Royal Flying Doctor Service' aircraft replacement program in 2006. Under this commitment, the bank provided funds towards aircraft replacement for the Royal Flying Doctor Service (South Eastern Section), which provides vital airborne medical emergency and primary health care services to remote areas of the country.

The 'Friends of the Royal Flying Doctor Service' was formed in 2005 to assist in paying for two urgently-needed Beechcraft Super King aircraft to replace ageing aircraft in the South Eastern Section, based in Broken Hill, NSW.

Australian Business and Community Network

The bank is a member of the Australian Business and Community Network (ABCN), participating in the network's Growing

Opportunities and Learning Skills (GOALS) and Partners in Learning programs.

ABCN is a group of corporations which aims to build awareness of major social issues and engage in projects focusing on education in areas of social disadvantage.

As part of the GOALS program, 14 employees from Rabobank's Sydney head office participated in a structured voluntary program, each mentoring a year nine high school student for eight months of the year.

The GOALS program is designed to raise awareness of the wider range of personal, educational and vocational choices available to year nine students through mentoring by business professionals within a group environment.

Rabobank is also involved with the Partners in Learning program, which aims to link business and education professionals, to promote the sharing of expertise and further develop management and leadership skills.

As part of this program, Rabobank Australia and New Zealand CEO Bruce Dick continued a mentoring partnership with a school principal from an ABCN school located in south-west Sydney.

Board members and management team

Board members



James P. Graham AM

Chairman

Chairman of Rabobank Australia & New Zealand since November 2002, James Graham brings extensive experience in corporate finance and banking to this role. Mr Graham served in several banking positions in Australia and internationally before being appointed founding Managing Director of Australian investment bank Gresham Partners Limited in 1985, a role he still holds. Mr Graham sits on a number of other boards, including Wesfarmers Limited, Lumley General Insurance Limited and Riviera Group Pty Limited.



Hans ten Cate

Chairman of the Managing Board of Rabobank International, the Rabobank Group's international operations, Netherlands-based Hans ten Cate joined the board of Rabobank Australia & New Zealand in July 2006. A veteran of 30 years in European and international banking, Mr ten Cate has worked with Rabobank since 2000 and is a member of the Rabobank Group's executive board*. Prior to joining Rabobank, Mr ten Cate spent 25 years with ABN Amro, where he held a number of senior positions.



Bruce Dick

Chief Executive Officer of Rabobank Australia & New Zealand since May 2001, Bruce Dick previously headed Rabobank's Rural Banking operations in Australia and New Zealand. Mr Dick has a strong background in banking in Australia and New Zealand. Before joining Rabobank, he spent 17 years with the National Bank of New Zealand in a number of senior positions, including Executive Director.



John Palmer ONZM

Appointed to the board in November 2004, John Palmer has an extensive history in both the agribusiness and financial services industries. Mr Palmer is currently Chairman of Air New Zealand Limited and Solid Energy Limited and a director of AMP Limited, AMP Life Limited and World of Wearable Art Limited. He continues a lifetime involvement in horticulture with family businesses in fruit and hop production, processing and export.



Erich Fraunschiel

In 18 years with Wesfarmers Group – the last 10 as Executive Director and Chief Financial Officer – Erich Fraunschiel had exposure to a number of industry sectors, including agricultural services, financial services, insurance, retailing, manufacturing, coal mining and distribution/processing. His previous business experience included petroleum marketing, management consulting and investment banking. Mr Fraunschiel serves on the boards of Woodside Petroleum Limited, West Australian Newspapers Holdings Limited and WorleyParsons Limited, as well as a number of unlisted companies.



David Smithers AM

Currently a director of a number of companies, David Smithers is a Fellow of the Institute of Chartered Accountants (FCA) of which he is a past President. Mr Smithers was formerly Chairman of professional services firm PricewaterhouseCoopers (PwC) and a member of the PwC global board. He was also Managing Partner of the firm's Corporate Finance and Recovery practice in the Asia Pacific region. In addition to his role on Rabobank's board, Mr Smithers is also Chairman of Rabobank's Board, Risk, Audit and Compliance Committee.



William Gurry AO

William Gurry is an experienced Company Director, with an extensive background in banking and retailing and strong rural interests. He was formerly Executive Chairman of one of Australia's foremost investment banks, UBS, and is a former Managing Director of Potter Warburg and National Mutual Royal Bank. Mr Gurry is currently Chairman of Cheviot Bridge Limited and a Director of the Financial Markets Foundation for Children and St. Vincent's & Mercy Private Hospital. Mr Gurry has previously held positions with a number of corporate, government and community entities.



Ruurd Weulen Kranenberg

Ruurd Weulen Kranenberg was appointed to the board in May 2007, at the time of his appointment to the position of Deputy Chief Executive Officer and Chief Financial and Risk Officer for Rabobank Australia & New Zealand. Mr Weulen Kranenberg holds a masters degree in law from the University of Groningen and a masters degree in fiscal law from the University of Amsterdam. Mr Weulen Kranenberg joined Rabobank Nederland in 1988 and has held senior executive roles for Rabobank in Utrecht, Dublin, Hong Kong and London.



Roberto Henri Lodewijk (Rob) ten Heggeler

A member of Rabobank International's managing board, Rob ten Heggeler joined the board of Rabobank Australia & New Zealand in November 2007. Based in Rabobank's head office in Utrecht, in the Netherlands, Mr ten Heggeler has close to 20 years' experience in international banking, working in Europe, Asia and North America. He has extensive experience in both corporate and retail banking markets. Prior to joining Rabobank International in 2006, Mr ten Heggeler held senior roles with Fortis Bank and ABN AMRO.



Johannes Hendricus (Harry) de Roo

Alternate director

Chief Financial and Risk Officer within the managing board of Rabobank International, Harry de Roo was appointed to the Rabobank Australia & New Zealand board in June 2007. Mr de Roo is Senior Executive Vice President of Rabobank International and a member of several supervisory boards of Rabobank International group entities. Prior to joining Rabobank in 1991, he held senior positions at the Dutch Tax Authority, Bank Mees & Hope and Ernst & Young.

* Mr ten Cate has announced he will retire from the Rabobank Group executive board in July 2008. He will continue to serve on the Rabobank Australia & New Zealand board of directors.

Management team

Executive committee

Bruce Dick
Chief Executive Officer

Paul Beiboer
Head of Corporate Financial Services

Ed Debenham
Head of Corporate Development

Neil Dobbin
Head of Rural Banking

Ruurd Weulen Kranenberg
*Deputy Chief Executive Officer
Chief Financial and Risk Officer*

Members

Judy Barraclough
Strategy & Planning

Danny Bigatton
Internal Audit

Dean Clark
Business Banking

Bill Cordingley
*Food & Agribusiness Research
and Advisory*

Angela Davey
Communications

Brad Dixon
Operations

Ian Donaldson
Financial Control

Joachim Drewitz
Leveraged Finance

Guy Hargreaves
Securitisation

Phil Hislop
Credit

Bryan Inch
RaboPlus

Greg Kelly
Legal & Company Secretary

Maria Kent
IT Infrastructure

Peter Knoblanche
Rural Australia

Woulter Manintveld
*Information Systems &
Development*

Mike O'Connell
Trade Commodity & Finance

Brett Reid
Human Resources

John Rollings
Position Management

Ben Russell
Rural New Zealand

Phil Streten
Corporate Banking

Colin Williams
Rabo Financial Advisors



Global representation

The Rabobank brand is used by the local Rabobanks in The Netherlands and by Rabobank International in 29 countries.

With all its other group entities, Rabobank Group operates in 349 locations spread over 43 countries, including The Netherlands.

Rabobank international locations

North America

- Canada
- United States

Latin America

- Argentina
- Brazil
- Chile
- Cayman Islands
- Curaçao
- Mexico

Europe

- Austria
- Belgium
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Guernsey
- Hungary
- Ireland
- Italy
- Luxembourg
- Norway
- Poland
- Romania
- Russia
- Slovakia
- Spain
- Sweden
- Switzerland
- The Netherlands
- Turkey
- United Kingdom

Asia

- Bahrain
- China
- India
- Indonesia
- Japan
- Korea
- Malaysia
- Singapore
- Thailand
- United Arab Emirates

Australasia

- Australia
- New Zealand

● Rabobank ● Group entities ● Rabobank and Group entities

For more information on locations, please visit www.rabobank.com
Rabobank Group is represented in additional countries through its subsidiary companies Interpolis and De Lage Landen.



Local Rabobank locations

Australia

Queensland

Atherton
Ayr
Brisbane
Cloncurry
Dalby
Emerald
Goondiwindi
Ingham
Longreach
Mackay
Rockhampton
Roma
Toowoomba
Townsville

New South Wales

Armidale
Cooma
Dubbo
Forbes
Goulburn
Griffith
Moree
Orange
Sydney
Tamworth
Wagga Wagga

Victoria

Horsham
Leongatha
Melbourne
Sale
Shepparton
Swan Hill
Warrnambool

Tasmania

Hobart
Launceston

South Australia

Adelaide
Berri
Clare
Kadina
Mount Gambier
Port Lincoln

Western Australia

Albany
Bunbury
Dalwallinu
Esperance
Geraldton
Merredin
Moora
Narrogin
Perth

Northern Territory

Darwin

New Zealand

North Island

Auckland
Dannevirke
Feilding
Gisborne
Hamilton
Hastings
Hawera

Masterton
Matamata
New Plymouth
Otorohanga
Pukekohe
Rotorua
Taumarunui
Te Puke

Thames
Waipukurau
Wellington
Whangarei

South Island

Alexandra
Ashburton
Blenheim
Christchurch
Dunedin
Gore
Invercargill

Nelson
Oamaru
Timaru

Colophon

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- Certification ISO9002, ISO14001, EMAS, Nordic Swan, NAPM (UK), Blue Angel (Germany), EU Flower, DIN6738 (archival to >100 years), ISEGA 14139U (suitable for use with foodstuffs) and EN 71-3 (safe for use with toys)
- Fibre Source 100% de-inked post consumer waste

Annual Reports

Rabobank Group publishes the following reports from its head office in The Netherlands:

- Annual Report
- Financial Statements and other information
- Annual Sustainability Report
- Interim Report

These reports are available on the internet:

www.rabobank.com.au or www.rabobank.co.nz

For further copies of this Annual Review please contact:

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