

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
NEW YORK, NEW YORK

Written Agreement by and among

COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A.
Utrecht, Netherlands

RABOBANK NEDERLAND
NEW YORK BRANCH
New York, New York

FEDERAL RESERVE BANK OF NEW YORK
New York, New York

and

NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES
New York, New York

Docket Nos. 15-016-WA/RB-FB
15-016-WA/RB-FBR

WHEREAS, Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Utrecht, Netherlands (the “Bank”) is a foreign bank as defined in section 1(b)(7) of the International Banking Act (12 U.S.C. § 3101(7)) that conducts banking operations in the United States through various entities (the “U.S. Operations”);

WHEREAS, the U.S. Operations of the Bank include Rabobank Nederland New York Branch, a branch in New York, New York (the “Branch”), for which the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal supervisor;

WHEREAS, the New York State Department of Financial Services (“NYSDFS”) is the appropriate state supervisor for the Branch;

WHEREAS, a recent examination of the Branch conducted by the Federal Reserve Bank of New York (the “Reserve Bank”) and the NYSDFS (collectively, the “Supervisors”) identified deficiencies relating to the Branch’s risk management and compliance with applicable federal and state laws, rules, and regulations relating to anti-money laundering (“AML”) compliance, including the Bank Secrecy Act (“BSA”) (31 U.S.C. § 5311 *et seq.*); the rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X); and the requirements of Regulation K of the Board of Governors to report suspicious activity and maintain an adequate BSA/AML compliance program (12 C.F.R. §§211.24(f) and 211.24(j)) (collectively, the “BSA/AML Requirements”); and the regulations of the NYSDFS (3 N.Y.C.R.R. Parts 116 and 300) (the “State Regulations”);

WHEREAS, the U.S. Operations of the Bank also include Rabobank, N.A., Roseville, California, which entered into a Consent Order with the Office of the Comptroller of the Currency (the “OCC”) on December 5, 2013, in which Rabobank, N.A. committed to taking all necessary and appropriate steps to remedy deficiencies identified by the OCC with respect to Rabobank, N.A.’s BSA/AML compliance program;

WHEREAS, it is the common goal of the Reserve Bank and the Bank to ensure that the Bank maintains effective corporate governance and oversight over the U.S. Operations, including the establishment and maintenance of robust risk management and compliance programs on a consolidated basis;

WHEREAS, it is the common goal of the Supervisors, the Bank, and the Branch that the Branch operates in compliance with all applicable federal and state laws, rules, and regulations; and

WHEREAS, on June 15, 2015, the Bank's Executive Board, at a duly constituted meeting, adopted a resolution authorizing and directing Ruurd Weulen Kranenberg and Rajiv Singh to enter into this Written Agreement (the "Agreement") on behalf of the Bank and the Branch, respectively, and consenting to compliance with each and every applicable provision of this Agreement by the Bank and the Branch.

NOW, THEREFORE, the Supervisors, the Bank, and the Branch hereby agree as follows:

Corporate Governance and Management Oversight

1. Within 60 days of this Agreement, the Bank's Executive Board shall submit a written plan to strengthen Executive Board and U.S. senior management oversight of BSA/AML compliance across the U.S. Operations on a consolidated basis acceptable to the Reserve Bank. The plan shall provide for a sustainable governance framework that, at a minimum, addresses, considers, and includes:

(a) actions the Executive Board will take to establish a consolidated framework for BSA/AML compliance across the U.S. Operations, including, but not limited to, maintenance of effective control over, and supervision of the implementation of the BSA/AML compliance programs by U.S. senior management;

(b) a description of the information and reports related to BSA/AML compliance across the U.S. Operations that will be regularly reviewed by the Bank's Executive Board and U.S. senior management; and

(c) measures to improve the management information systems reporting of BSA/AML compliance programs to ensure effective oversight by the Bank's Executive Board and senior U.S. management of BSA/AML compliance across the U.S. Operations.

2. Within 60 days of this Agreement, the Bank's Executive Board and the Branch's management shall jointly submit a written plan to enhance the Bank and Branch management's oversight of the Branch's compliance with the BSA/AML Requirements and the State Regulations acceptable to the Supervisors. The plan shall provide for a sustainable governance framework that, at a minimum, addresses, considers, and includes:

(a) actions the Executive Board will take to maintain effective control over and oversight of Branch management's compliance with the BSA/AML Requirements and applicable State Regulations;

(b) policies and procedures to ensure that the Branch management identifies, communicates, and manages BSA/AML compliance risks, with particular emphasis on due diligence with respect to foreign correspondent accounts maintained at the Branch, and transaction monitoring;

(c) measures to improve the management information systems reporting of the Branch's BSA/AML compliance program to senior management of the Bank and the Branch, and appropriate committees;

(d) measures to ensure that the persons or groups at the Bank and the Branch charged with oversight of the Branch's compliance with the BSA/AML Requirements and State Regulations possess appropriate subject matter expertise and are actively involved in carrying out such responsibilities; and

(e) adequate resources for the BSA/AML compliance officer, including sufficient staffing levels, and periodic re-evaluation of resources and staffing needs;

BSA/AML Compliance Review

3. Within 30 days of this Agreement, the Bank and the Branch shall retain an independent third party acceptable to the Supervisors to: (i) conduct a comprehensive review of the Branch's compliance with the BSA/AML Requirements and State Regulations (the "Compliance Review") and (ii) prepare a written report of findings, conclusions, and recommendations (the "Compliance Report").

4. Within 10 days of the engagement of the independent third party, but prior to the Compliance Review, the Bank and Branch shall jointly submit to the Supervisors for approval an engagement letter that provides, at a minimum, for the independent third party to:

(a) identify all of the Branch's business lines, activities, and products, to ensure that such business lines, activities, and products are appropriately risk-rated and included in the Branch's BSA/AML compliance program, policies, and procedures;

(b) conduct a comprehensive assessment of the Branch's BSA/AML compliance program, policies, and procedures;

(c) complete the Compliance Review within 60 days of the Supervisors' approval of the engagement letter;

(d) provide to the Supervisors a copy of the Compliance Report at the same time that the report is provided to the Bank and the Branch; and

(e) commit that any and all interim reports, drafts, workpapers, or other supporting materials associated with the Compliance Review will be made available to the Supervisors upon request.

BSA/AML Compliance Program

5. Within 60 days of the submission of the Compliance Report, the Bank and the Branch shall jointly submit a written enhanced BSA/AML compliance program for the Branch acceptable to the Supervisors. At a minimum, the program shall provide for:

- (a) a system of internal controls designed to ensure compliance with the BSA/AML Requirements and State Regulations;
- (b) controls designed to ensure compliance with all requirements relating to correspondent accounts for foreign financial institutions, including, but not limited to, affiliates;
- (c) a comprehensive BSA/AML risk assessment that appropriately identifies and considers all products and services of the Branch, customer types and geographic risks, as appropriate, in determining inherent and residual risks;
- (d) identification of the management information systems used to achieve compliance with the BSA/AML Requirements and a timeline to review key systems to ensure they are configured to mitigate BSA/AML risks;
- (e) improved independent testing procedures to evaluate the Branch's compliance with the BSA/AML Requirements and State Regulations;
- (f) measures to improve quality assurance controls; and
- (g) effective training for all appropriate Branch personnel and appropriate personnel of affiliates that perform BSA/AML compliance-related functions for the Branch in all aspects of the BSA/AML Requirements, State Regulations, and internal policies and procedures.

Customer Due Diligence

6. Within 60 days of the submission of the Compliance Report, the Bank and the Branch shall jointly submit a written enhanced customer due diligence program for the Branch acceptable to the Supervisors. At a minimum, the program shall include:

(a) policies, procedures, and controls to ensure that the Branch collects, analyzes, and retains complete and accurate customer information for all account holders, including, but not limited to, affiliates;

(b) a plan, with timelines, to remediate deficient due diligence for existing customers accounts;

(c) a revised methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services, and geographic location;

(d) policies, procedures and controls to ensure that foreign correspondent accounts are accorded the appropriate due diligence, and where necessary, enhanced due diligence; and

(e) procedures to ensure periodic reviews and evaluations are conducted and documented for all account holders.

Suspicious Activity Monitoring and Reporting

7. Within 60 days of the submission of the Compliance Report, the Bank and the Branch shall jointly submit a written program acceptable to the Supervisors to reasonably ensure the identification and timely, accurate, and complete reporting by the Branch of all known or suspected violations of law or suspicious transactions to law enforcement and supervisory

authorities, as required by applicable suspicious activity reporting laws and regulations. At a minimum, the program shall include:

(a) a well-documented methodology for establishing monitoring rules and thresholds appropriate for the Branch's profile which considers factors such as type of customer, type of product or service, geographic location, and foreign correspondent banking activities, including U.S. dollar clearing activities;

(b) policies and procedures for analyzing, testing, and documenting changes to monitoring rules and thresholds;

(c) enhanced monitoring and investigation criteria and procedures to ensure the timely detection, investigation, and reporting of all known or suspected violations of law and suspicious transactions, including, but not limited to:

(i) effective monitoring of customer accounts and transactions, including but not limited to, transactions conducted through foreign correspondent accounts;

(ii) appropriate allocation of resources to manage alert and case inventory;

(iii) adequate escalation of information about potentially suspicious activity through appropriate levels of management;

(iv) maintenance of sufficient documentation with respect to the investigation and analysis of potentially suspicious activity, including the resolution and escalation of concerns; and

(v) maintenance of accurate and comprehensive customer and transactional data and ensuring that it is applied to the Branch's compliance program;

(d) controls to ensure that transaction monitoring systems and associated automated processes are subject to periodic reviews and timely updates.

Compliance with Regulatory Requests

8. The Bank and the Branch shall immediately take all necessary steps to ensure that Section 314(a) information requests received by the Branch from the Financial Crimes Enforcement Network (“FinCEN”) shall be conducted within the required search and reporting timeframes, and adequate documentation of search results and notifications to FinCEN are maintained to evidence compliance, as required under 31 C.F.R. § 1010.520(b)(3)(i).

Approval, Implementation, and Progress Reports

9. (a) The Bank and the Branch shall jointly submit the written plan and programs that are acceptable to the Supervisors within the applicable time periods set forth in paragraphs 2, 5, 6, and 7 of this Agreement. The Bank shall submit a written plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 1 of this Agreement. Each plan or program shall contain a timeline for full implementation of the plan or program with specific deadlines for the completion of each component of the plan or program. An independent third party acceptable to the Supervisors shall be retained by the Bank and the Branch within the time period set forth in paragraph 3 of this Agreement. An engagement letter shall be submitted to the Supervisors within the time period set forth in paragraph 4 of this Agreement.

(b) Within 10 days of acceptance by the Supervisors or, as applicable, the Reserve Bank, the Bank and the Branch, as applicable, shall adopt the plans and programs. Upon adoption, the Bank and the Branch, as applicable, shall implement the plans and programs and thereafter fully comply with them.

(c) During the term of this Agreement, the approved plans, programs, and engagement letter shall not be amended or rescinded without the prior written approval of the appropriate Supervisors.

10. Within 30 days after the end of each calendar quarter following the date of this Agreement, the Bank and the Branch shall submit to the Supervisors written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof. The Supervisors may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

Notices

11. All communications regarding this Agreement shall be sent to:

- (a) Ms. Patricia Meadow
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045
- (b) Mr. Jeffrey G. Raymond
Deputy Superintendent
New York State Department of Financial Services
One State Street
New York, New York 10004
- (c) Mr. Wiebe Draijer
Chairman of the Executive Board
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Croeselaan 18
Utrecht, 3521 CB
Netherlands

(d) Mr. Ruurd Weulen Kranenberg
CEO-North America
Rabobank Nederland
245 Park Avenue
New York, New York 10167

(e) Mr. Rajiv Singh
General Manager
Rabobank Nederland
New York Branch
245 Park Avenue
New York, New York 10167

Miscellaneous

12. The provisions of this Agreement shall be binding on the Bank and the Branch and each of their institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. §§ 1813(u) and 1818(b)(4)) in their capacities as such, and their successors and assigns.

13. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Supervisors.

14. Notwithstanding any provision of this Agreement, the Supervisors may, in their sole discretion, grant written extensions of time to the Bank and the Branch to comply with any provision of this Agreement.

15. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Supervisors, or any other federal or state agency from taking any further or other action affecting the Bank and the Branch, any subsidiary thereof, or any of their current or former institution-affiliated parties or their successors or assigns.

16. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818), and by the NYSDFS pursuant to section 39 of the New York State Banking Law.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 30th day of June, 2015.

COOPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK
B.A.

FEDERAL RESERVE BANK OF
NEW YORK

By: /s/ Ruurd Weulen Kranenberg
Ruurd Weulen Kranenberg
CEO

By: /s/ Patricia Meadow
Patricia Meadow
Senior Vice President

RABOBANK NEDERLAND
NEW YORK BRANCH

NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES

By: /s/ Rajiv Singh
Rajiv Singh
General Manager

By: /s/ Jeffrey G. Raymond
Jeffrey G. Raymond
Deputy Superintendent