Country report **POLAND**

Summary

Economic growth in 2011 was 4.3%, due to a rebound of private investment, substantial public investment in infrastructure and robust domestic demand. For 2012 and 2013, the prospects are less bright at an expected economic growth of 2-3%, but still acceptable considering the external environment. However, the downside risks are substantial, as an escalation of eurozone problems is likely to spill over into Poland. While the large internal market will again provide some cushion, the room for fiscal and monetary stimulus measures is smaller than during the last crisis. Meanwhile, the ruling PO-PSL coalition of Prime Minister Tusk has promised to continue with fiscal consolidation and pursue structural reforms after winning the October 2011 elections. Fiscal consolidation is currently on track and the pension age was recently increased, but more structural reforms are still needed. This year, the government aims to reduce the fiscal deficit to a level below 3% of GDP. While this is likely to be too ambitious and the fiscal deficit is expected to come in just above 3% of GDP, it is a substantial improvement from the 7.8% of GDP deficit in 2010. The external position of Poland is not very strong with a persistent current account deficit, external debt around 60% of GDP and reliance on debt flows to cover external financing needs. The twin deficit of the country has remained under the radar so far, but poses a risk.

Things to watch:

- Fiscal consolidation and structural reforms
- Twin deficit on the current account and fiscal balance
- Development of the zloty (in relation to foreign currency loans and public debt)

Author: **Reintje Maasdam**
Country Risk Research
Economic Research Department
Rabobank Nederland

Contact details: P.O.Box 17100, 3500 HG Utrecht, The Netherlands
+31-(0)30-21-31403
R.Maasdam@rn.rabobank.nl

Poland

National facts	
Type of government	Republic
Capital	Warsaw
Surface area (thousand sq km)	313
Population (millions)	38.2
Main languages	Polish (98%)
	Other (2%)
Main religions	Roman Catholic (90%)
	Eastern Orthodox (1.3%)
	Protestant (0.3%)
Head of State (president)	Bronislaw Komorowski
Head of Government (prime-minister)	Donald Tusk
Monetary unit	zloty (PLN)

Economy		2011
Economic size	*bn USD*	*% world total*
Nominal GDP	514	0.74
Nominal GDP at PPP	770	0.97
Export value of goods and services	231	1.05
IMF quotum (in mln SDR)	1688	0.78
Economic structure	*2011*	*5-year av.*
Real GDP growth	4.3	4.7
Agriculture (% of GDP)	4	4
Industry (% of GDP)	33	32
Services (% of GDP)	63	64
Standards of living	*USD*	*% world av.*
Nominal GDP per head	13450	125
Nominal GDP per head at PPP	20168	163
Real GDP per head	10440	128

Social and governance indicators	rank / total
Human Development Index (rank)	39 / 187
Ease of doing business (rank)	62 / 183
Economic freedom index (rank)	64 / 179
Corruption perceptions index (rank)	41 / 183
Press freedom index (rank)	24 / 178
Gini index (income distribution)	34.21
Population below $1.25 per day (PPP)	0%

Foreign trade			2011
Main export partners (%)		*Main import partners (%)*	
Germany	26	Germany	27
UK	6	Russia	10
Czech Republic	6	Netherlands	6
France	6	Italy	5

Main export products (%)	*2010*
Machinery, transport equipment	42
Manufactured goods classified by material	20
Miscellaneous manufactured goods	13
Food & live animals	9
Main import products (%)	*2010*
Machinery, transport equipment	34
Manufactured goods classified by material	18
Chemicals & chemical products	14
Miscellaneous manufactured goods	10
Openness of the economy	*2011*
Export value of G&S (% of GDP)	45
Import value of G&S (% of GDP)	47
Inward FDI (% of GDP)	2.8

Source: EIU, CIA World Factbook, UN, Heritage Foundation, Transparency International, Reporters Without Borders, World Bank.

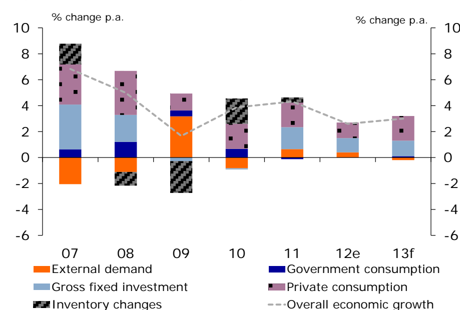
Economic structure and growth

With a GNI per capita of USD 12,480, Poland just qualifies as a high income country, according to the World Bank. The country borders Germany, the Czech Republic, Slovakia, Russia, Lithuania, Belarus and Ukraine. After joining the European Union (EU) in 2004, Poland became the new border of the bloc. The EU is Poland's most important trade partner, with Germany leading the pack. Supplying (semi-finished) products to the German automotive and household appliances industry is important of Poland's manufacturing industry. Almost half of exports from Poland are machinery and transport equipment. Food processing is another industry that is gaining importance. While the export sector is valuable, as the export value of goods and services was 45% of GDP in 2011, Poland's economy largely depends on the domestic sector. Compared to neighboring countries, Poland has a large domestic market and is thus relatively less dependent on external demand. However, the external developments, especially in the eurozone, still find their way to Poland through financial sector ties and changes in risk perception, which affect among others the Polish zloty.

Despite the strong linkages to the eurozone, the Polish economy performed well during the 2008/09 financial crisis and its aftermath. As the only country in the EU, it managed to post a positive growth figure. Still, at 1.7%, economic growth was below average and has recovered since. Economic growth in 2011 was 4.3%, due to a rebound of private investment, substantial public investment in infrastructure - stimulated by the European soccer championship in June 2012 – and robust domestic demand. For this year, the prospects are less bright at an expected

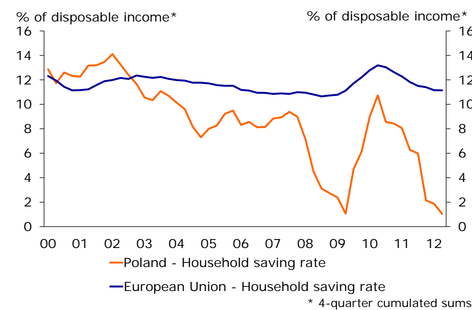
economic growth of 2-3%, but still acceptable considering the external environment. Public investment in infrastructure is expected to slow, as several large projects were finished before the soccer tournament. Moreover, austerity measures, tighter credit conditions and a subdued labor market are affecting disposable household income. End 2011, the unemployment ratio was 9.7%, which is only 1 percentage point below the crisis peak. The continuing high unemployment also depresses wage growth. With unemployment levels elevated for the past years and foreign currency loans eating into income, the solid domestic spending is partly financed by reducing the savings ratio. In the first quarter of 2012, the savings rate of Polish households dropped to 1% of disposable income. This is well below the 8.5% long-run average. It remains to be seen whether the savings rate will decrease further (turning negative?) or rebound. The latter seems more likely, among others because credit conditions are tightening. As household consumption has been the pillar of Poland's above-EU average economic growth, a rebound in the savings rate is expected to affect economic growth.

Figure 1: Economic growth



Source: EIU

Figure 2: Savings rate



Source: Eurostat

Next year, the economy is also expected to grow around 2-3%, but the downside risks, also for 2012, are substantial. An escalation of eurozone problems is likely to spillover into Poland, although the large internal market will again provide some cushion. Unfortunately, the room for stimulus measures is smaller than during the last crisis, as fiscal consolidation efforts restrict tax breaks and extra spending. Monetary policy is likely to be the primary channel, but the central bank will be cautious. A bold rate cut to stimulate growth will put depreciating pressure on the zloty. While this will support the export sector, it will hurt households with foreign currency loans.

The financial sector in Poland performed well last year with profitability rising by 37% for the sector, compared to 2010. Also, the average capital adequacy ratio is high at around 13%. Going forward, the profitability is expected to suffer somewhat from a slowdown in private sector credit growth, which is affected by the uncertain economic outlook (less demand) and a moderate decline in funding from parents (less supply). Parent funding is an important source of funding, as the foreign-owned banks own about two-thirds of the bank assets. If the problems in the eurozone escalate further, this can put more pressure on funding if foreign banks need to recapitalize. However, so far, this has been rather resilient and the supervisor is keen to strengthen liquidity and capital buffers. The supervisor also keeps a close eye on foreign currency (FX) loans, mostly Swiss franc loans. About two-thirds of all Polish mortgages are FX-denominated loans. While this is substantial, mortgages are not widely used yet and the FX mortgages only account for 13% of GDP (end 2011). Still, the supervisor, which has recently received strong critique itself for its weak control over non-bank financial institutions, has tightened its rules for FX loans. Non-performing loans ratio leveled off at 8.2% end 2011.

Political and social situation

The Civic Platform (PO) of Prime Minister Donald Tusk won the elections in October 2011, which enabled Tusk to become the first prime minister to be re-elected since the end of communism. PO is a centre-right, pro-EU party, which rules in a coalition with the rural-oriented Polish Peasants' Party (PSL). The coalition has a small but workable majority in parliament. The conservative, EU-sceptic Law and Justice party (PiS), led by Kaczynski, is the main opposition party. The October elections brought a surprise in the form of Ruch Palikot (Palikot's Movement, RP), which was started by several ex-PO members. This liberal and anti-clerical party gained about 10% of the votes. The election outcome suggests a broad support for the pro-EU and market oriented course of the government.

The PO-PSL coalition has promised to continue with fiscal consolidation and pursue structural reforms. The cabinet showed commitment to its plans when it made the unpopular decision in May to raise the retirement age to 67 for men and women (now 65 for men and 60 for women). In the long run, it will have a positive effect on the government's pension contributions, but as Poland has a defined contribution system, this benefit will be rather limited. But more importantly, , increasing the pension age means that people will save longer and it will thus raise pensions, which in turn will reduce reliance on social security. Moreover, a higher pension age will also increase the age of early retirement and thus give a boost to labor participation. Labor participation is low in Poland, especially among women and 55+. Giving a boost to this will support economic growth in the long run, amid an ageing population. Potential reforms in the special pension fund for farmers are creating tension between the coalition partners, with the PSL strongly against it. Since the October elections, public support for the coalition has slipped - not only on the back of unpopular austerity measures and the decision to raise the pension age, but also due to several scandals involving the minister of agriculture (over alleged corruption with farmers' subsidies) and the son of prime minister Tusk (over the bankruptcy of a gold investment fund). However, the opposition is not expected to be strong enough to topple the government, as it has little common ground.

The animosity between the PO and PiS remains strong, as was witnessed at the second commemoration of the Smolensk crash of April 2010. In this plane crash, President Lech Kaczynski, twin brother of PiS leader Jaroslaw Kaczynski, and 94 others were killed, mainly of them senior officials. They were travelling to Russia to the 70th commemoration of the Katyn killing of Polish officers. Just as during the first memorial, the PiS refused to join the official ceremony. Kaczynski continuously accuses Tusk of being 'politically responsible' for the crash, being too forgiving towards Russia and even suggesting that the disaster was no accident. He also refers to Poland's long history of foreign domination, still a sensitive topic to many, and uses Smolensk as an example that Tusk is betraying national interests. Tusk, on the other hand, says that Kaczynski is exploiting his brother's death for political gain. Every debate on this topic is heated and emotional and reflects a broader division in the Polish society; between the urban, pro-market, generally younger generation and the older, conservative, often more clerical population.

With the PO party at the helm, Poland will continue to focus on the EU. The EU presidency for Poland ended in December 2011, but the country will continue to lobby for more say for central European countries. Also, Poland is well aware of the new EU budget that is currently being drafted, as it is the largest recipient of EU funds (on a net basis). The PO government also tries to improve ties with Russia, although this is difficult at times, as shown by investigation into the Smolensk crash.

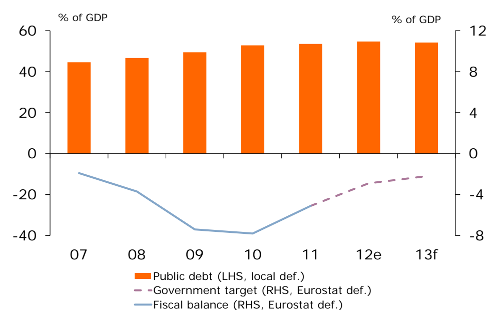
Economic policy

The ruling PO-PSL coalition is expected to continue on its path of gradual reform with fiscal consolidation and structural reforms as key targets. As mentioned above, an increase of the pension age was already decided. More reforms are needed in the area of special pension funds, labor market (to boost labor participation and reduce structural unemployment) and Poland's business environment, which lags competitors. Poland is ranked 62nd on the Ease of Doing Business index of the World Bank, while Slovakia, for example, ranks 48th. Relatively poor infrastructure, bureaucracy and corruption need to be addressed to boost Poland's business environment.

Fiscal consolidation is on track in Poland. This year, the government aims to reduce the fiscal deficit to a level below 3% of GDP. While this is likely to be too ambitious and the fiscal deficit is expected to come in just above 3% of GDP, it is a substantial improvement from the 7.8% of GDP deficit in 2010. Last year, the fiscal deficit decreased to 5.1% of GDP, due to an increase in VAT, a temporary freeze of public wages, rerouting government contributions to the pension system and rather strong revenues. The medium term objective of the government is to reduce the structural fiscal deficit to 1% of GDP by 2015, in order to reduce the level of public debt. While this is achievable, it will require extra measures. One of the ways the government hopes to get extra revenues is by continuing to privatize public companies. Currently, the share of the public sector is around 20% of GDP, which is rather substantial. In 2011, privatization revenues were 0.9% of GDP and came from the sale of (parts of) approximately 200 companies, which not all lead to a shift of control to the private sector. Often the government keeps a strategic control, even when selling part of the company.

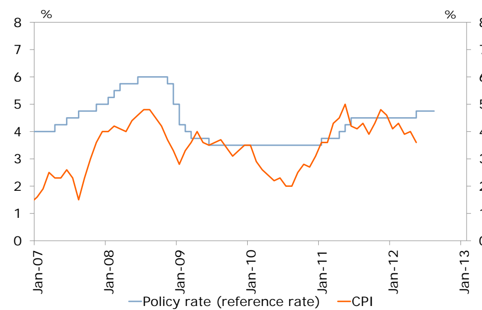
The public debt of Poland was 53.5% of GDP, end-2011, when using the local definition. This is of interest as that measure is used to see if the public debt level breaches the constitutional threshold. In 2011, the public debt stayed nicely below the 55% of GDP threshold, which would trigger a series of austerity measures. When crossing the 60% of GDP line, the government is not allowed to borrow anymore. As the cabinet of Tusk strongly favors gradual changes over abrupt measures, it has a strong incentive for fiscal consolidation. For 2012, the public debt is expected to be very close to 55% of GDP. A rapid depreciation of the zloty could push the public debt (in zloty) up, as part of the debt is in euros. Meeting the government's financing needs is expected to be no problem. In May 2012, already 70% of the needs were met.

Figure 3: Fiscal situation



Source: EIU, Eurostat

Figure 4: Inflation and policy rate



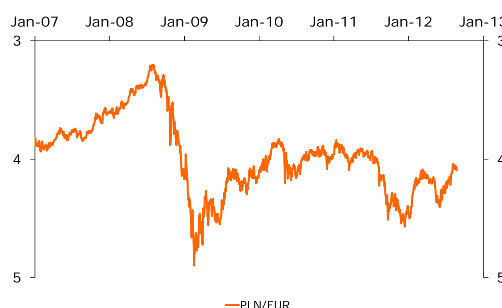
Source: Ecowin

Headline inflation has been above the 2.5% +/- 1% target of the Polish central bank since early 2011. Food and fuel prices as well as the VAT increase pushed prices up. In response, the central bank (NBP) hiked the policy rate several times between January and June 2011. As not to stifle growth, the NBP stopped its tightening cycle until end May 2012. The hike in May surprised many

as core inflation is within the target range and economic sentiment indicators suggested a slowdown of the economy. Full year inflation is expected to be close to the 3.5% target, which suggests that the central bank will likely be cautious in further tightening and might even cut policy rates if the economy slows further.

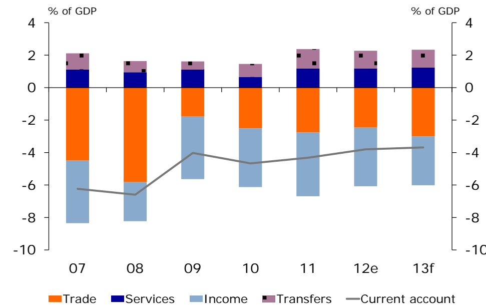
The development of the zloty weighs strongly on disposable income through inflationary pressure and foreign currency loans. In the past years, the zloty has been rather volatile, as it moves with investor sentiment on the eurozone crisis and other global developments. After falling in the second half of 2011, the zloty recovered early 2012, helped by the LTRO package of the European Central Bank. Lately, the zloty has moved back to around 4 PLN/EUR, which seems to be the axis around which the currency moves. The central bank intervenes at times to stem the volatility. In case investor sentiment turns against Poland or against emerging markets in general, Poland has a back-up in the form of a USD 30bn Flexible Credit Line with the IMF. This runs until January 2013, but could be extended as Poland is likely to meet the criteria of the IMF rather easily.

Figure 5: Zloty



Source: Ecowin

Figure 6: Current account balance



Source: EIU

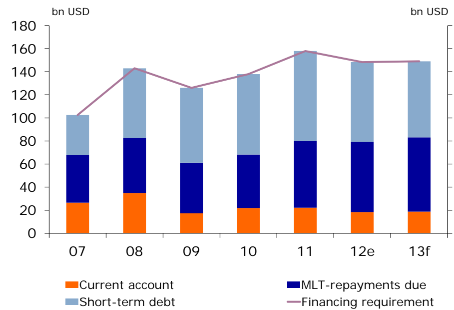
Balance of Payments and external position

Poland has received substantial foreign investment, mostly towards its manufacturing and financial sectors in the past years. As a result, Poland's exports are dominated by transport equipment and (parts for) household appliances, and the income balance tends to be in deficit. The imports of Poland are also strongly linked to the manufacturing sector, as many semi-finished products are imported. But Poland also needs to import oil and gas, even when much energy is generated with coal-burning power plants. Overall, the trade balance is in deficit and is expected to stay in deficit for the time being. For a while, the promise of shale gas extraction suggested that a surplus could be possible, but lately the enthusiasm has waned among investors and Poland's reserves might be smaller than initially expected. The services and transfer balances show a small surplus, but they are unable to close the gap on the current account.

In 2011, the current account deficit of Poland was 4.3% of GDP and for this year a moderate improvement is expected to around 3-4% of GDP. Net inward direct and portfolio investment is expected to be large enough to cover a little over half of the current account deficit this year. The remainder would need to come from debt flows, which are also needed to cover the principle debt repayments and interest payments. Total external financing needs for Poland for 2012 are estimated at USD 148bn, of which about USD 11bn would come from investments (figure 7 and 8). The remainder would need to come from short-term debt (about USD 65bn) and medium to long-term debt (about USD 73bn), as well as commercial bank loans (about USD 60bn). Short-term debt is largely trade related, while the latter is associated with the parent-daughter funding of

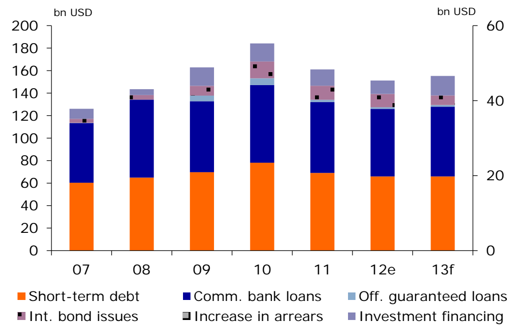
foreign-owned banks. These debt flows clearly indicate that Poland is sensitive to changes in investor sentiment and eurozone problems affecting parent banks.

Figure 7: External financing needs



Source: EIU

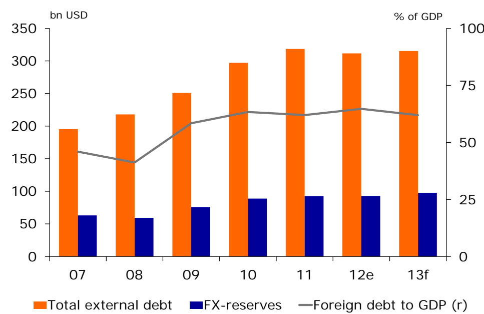
Figure 8: External financing sources



Source: EIU

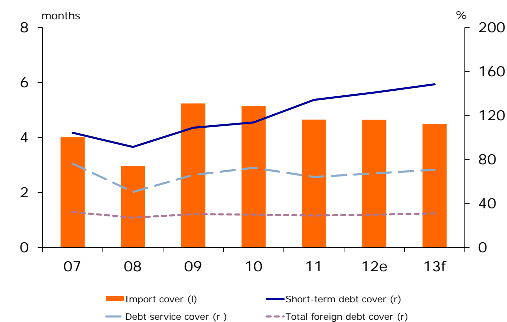
The external debt of Poland has increased in the past years, as a result of the persistent current account deficit. End 2011, total foreign debt was USD 318bn or 62% of GDP, which is substantial but not worrying yet. For this year, the external debt is expected to increase slightly to around 65% of GDP. Short term debt decreased from about 30% of total debt in 2007 to a little over 20% now, which is a positive development. A large part of the short-term debt is likely to be trade related. As a result of the slow but steady growth of foreign exchange (FX) reserves, the FX reserves are now about 1.5 times larger than the short-term debt, while in 2007 they were similar in size. FX reserves were USD 93bn end-2011 and are expected to be at that level end-2012 too. The import cover of FX reserves is currently around 4.5 months, which is moderate. The liquidity ratio of Poland has been fluctuating around 90% in the past five years and for this year, the ratio is also expected to be around 90%.

Figure 9: External debt and FX reserves



Source: EIU

Figure 10: FX covers



Source: EcoWin

Overall, the external position of Poland is not very strong with a persistent current account deficit, external debt around 60% of GDP and reliance on debt flows to cover external financing needs. For this year, the external financing needs are estimated at USD 148bn, while the FX reserves are only USD 93bn (end-2011). Especially an escalation of the eurozone crisis could turn investor sentiment against Poland and put the twin deficit of the country on the radar. However, despite the fact that the figures are not very rosy, a cut-off from the international market is not expected for Poland. First, compared to regional peers, Poland has been able to create an image of regional star, largely based on its above-EU average economic growth. Credible fiscal consolidation is also helping. Second, Poland is one of the few countries in the world that has qualified for a (USD 30bn) Flexible

Credit Line at the IMF. This credit line was developed by the IMF for countries with a good track record that need a buffer to weather external storms. The IMF line thus provides a buffer as well as a stamp of approval. Finally, part of the debt roll-over comes from commercial bank lending. Although a eurozone crisis could force foreign banks to reduce funding to their daughters, the large, underbanked internal market of Poland will likely keep at least part of the western banks interested and prevent a complete withdrawal. If western banks need to choose, the Polish market will likely be more attractive than some other countries in the region.

Thus, when looking at the USD 148bn of external financing needs, we could assume that part of the trade-related short-term would not pose a roll-over problem (the bigger part of USD 66bn short-term debt). Moreover, Poland has about USD 90bn in FX reserves and a USD 30bn IMF credit line. This suggests that the country should be able to cover the bulk of the external financing needs, especially when considering that commercial (parent-daughter) bank loans are rather sticky and some foreign direct investment flows might be expected. Therefore, Poland would need to be able to bridge a few months of financial mayhem in the eurozone. Still, a drastic change in investor sentiment will hit Poland, as it would lead to higher interest payments and a depreciating zloty. This will have consequences for the FX mortgages (and thus disposable income) and government debt (and thus more austerity measure to avoid the public debt thresholds). A eurozone crisis will therefore not only depress growth through the trade channel.

Poland

Selection of economic indicators	2007	2008	2009	2010	2011	2012e	2013f
Key country risk indicators							
GDP (% real change pa)	6.8	5.0	1.7	3.9	4.3	2.6	3.0
Consumer prices (average % change pa)	2.4	4.3	3.8	2.7	4.2	3.6	2.8
Current account balance (% of GDP)	-6.2	-6.6	-4.0	-4.7	-4.3	-3.8	-3.7
Total foreign exchange reserves (m USD)	62967	59306	75923	88822	92647	92900	97780
Economic growth							
GDP (% real change pa)	6.8	5.0	1.7	3.9	4.3	2.6	3.0
Gross fixed investment (% real change pa)	17.6	9.6	-1.2	-0.4	8.1	5.0	5.5
Private consumption (real % change pa)	4.9	5.5	2.1	3.1	3.1	1.9	3.1
Government consumption (% real change pa)	3.5	6.9	2.5	3.7	-0.7	-0.1	0.4
Exports of G&S (% real change pa)	9.1	6.1	-6.2	12.1	7.6	3.8	5.5
Imports of G&S (% real change pa)	13.7	8.2	-12.5	13.8	5.8	2.8	6.0
Economic policy							
Budget balance (% of GDP)	-1.4	-1.9	-1.8	-3.2	-1.7	-2.1	-1.8
Public debt (% of GDP)	45	47	49	53	53	55	54
Money market interest rate (%)	4.7	6.4	4.7	3.9	4.7	4.5	4.2
M2 growth (% change pa)	14	20	8	8	12	2	8
Consumer prices (average % change pa)	2.4	4.3	3.8	2.7	4.2	3.6	2.8
Exchange rate LCU to USD (average)	2.8	2.4	3.1	3.0	3.0	3.3	3.2
Recorded unemployment (%)	12.7	9.8	11.0	12.1	12.4	12.6	12.0
Balance of payments (m USD)							
Current account balance	-26507	-34914	-17278	-21897	-22167	-18310	-18740
Trade balance	-19111	-30729	-7642	-11782	-14178	-11830	-15300
Export value of goods	145300	178701	142071	165901	193908	197530	213280
Import value of goods	164411	209430	149713	177683	208086	209360	228580
Services balance	4765	5010	4784	3103	6081	5690	6330
Income balance	-16381	-12842	-16568	-16953	-20183	-17420	-15310
Transfer balance	4220	3647	2148	3735	6113	5250	5550
Net direct investment flows	17987	10365	8460	3574	9144	4000	8000
Net portfolio investment flows	-9048	-5177	7927	12437	5400	7930	9350
Net debt flows	41133	30184	37697	52063	10703	9190	7550
Other capital flows (negative is flight)	-6304	-4025	-19397	-32265	1288	-3280	-1280
Change in international reserves	17260	-3567	17409	13912	4368	-460	4880
External position (m USD)							
Total foreign debt	195376	218022	250878	297028	318366	311660	315210
Short-term debt	60366	64904	69729	78145	69038	65960	65910
Total debt service due, incl. short-term debt	82526	117554	115211	122578	144398	138000	138340
Total foreign exchange reserves	62967	59306	75923	88822	92647	92900	97780
International investment position	-241335	-242645	n.a	n.a.	n.a.	n.a.	n.a.
Total assets	156877	136866	n.a	n.a.	n.a.	n.a.	n.a.
Total liabilities	398212	379511	n.a	n.a.	n.a.	n.a.	n.a.
Key ratios for balance of payments, external solvency and external liquidity							
Trade balance (% of GDP)	-4.5	-5.8	-1.8	-2.5	-2.8	-2.5	-3.0
Current account balance (% of GDP)	-6.2	-6.6	-4.0	-4.7	-4.3	-3.8	-3.7
Inward FDI (% of GDP)	5.6	2.8	3.0	1.9	2.8	1.7	2.5
Foreign debt (% of GDP)	46	41	58	63	62	65	62
Foreign debt (% of XGSIT)	100	92	133	138	127	123	115
International investment position (% of GDP)	-56.8	-45.8	n.a	n.a.	n.a.	n.a.	n.a.
Debt service ratio (% of XGSIT)	42	50	61	57	57	54	51
Interest service ratio incl. arrears (% of XGSIT)	3	4	3	3	3	3	3
FX-reserves import cover (months)	4.0	3.0	5.2	5.1	4.7	4.6	4.5
FX-reserves debt service cover (%)	76	50	66	72	64	67	71
Liquidity ratio	97	83	88	90	88	90	92

Source: EIU

Disclaimer
This document is issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. incorporated in the Netherlands, trading as Rabobank Nederland, and regulated by the FSA. The information and opinions contained herein have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy or completeness. It is for information purposes only and should not be construed as an offer for sale or subscription of, or solicitation of an offer to buy or subscribe for any securities or derivatives. The information contained herein is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient. All opinions expressed herein are subject to change without notice. Neither Rabobank Nederland, nor other legal entities in the group to which it belongs accept any liability whatsoever for any direct or consequential loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith, and their directors, officers and/or employees may have had a long or short position and may have traded or acted as principal in the securities described within this report, or related securities. Further it may have or have had a relationship with or may provide or have provided corporate finance or other services to companies whose securities are described in this report, or any related investment. This document is for distribution in or from the Netherlands and the United Kingdom, and is directed only at authorised or exempted persons within the meaning of the Financial Services and Markets Act 2000 or to persons described in Part IV Article 19 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001, or to persons categorised as a "market counterparty or intermediate customer" in accordance with COBS 3.2.5. The document is not intended to be distributed, or passed on, directly or indirectly, to those who may not have professional experience in matters relating to investments, nor should it be relied upon by such persons. The distribution of this document in other jurisdictions may be restricted by law and recipients into whose possession this document comes from should inform themselves about, and observe any such restrictions. Neither this document nor any copy of it may be taken or transmitted, or distributed directly or indirectly into the United States, Canada, and Japan or to any US-person. This document may not be reproduced, distributed or published, in whole or in part, for any purpose, except with the prior written consent of Rabobank Nederland. By accepting this document you agree to be bound by the foregoing restrictions.