

Key figures

	30-06-02	31-12-01	30-06-01	31-12-00	30-06-00
Volume of services (in EUR millions)					
Total assets	377,149	363,480	377,816	342,920	325,895
Private sector lending	202,105	197,262	190,685	179,137	167,215
Funds entrusted	166,326	172,174	165,452	146,705	143,552
Assets managed	154,100	177,800	181,000	159,000	151,800
Premium income, insurance (half-year figures)	1,890	1,714	2,212	1,693	1,724
Financial position and solvency (in EUR millions)					
Reserves	13,624	13,409	13,269	13,108	13,244
Tier I capital	15,723	15,555	15,185	14,653	14,489
Tier I + Tier II capital	16,118	16,006	15,557	15,093	15,093
Total risk-weighted assets	156,143	152,812	151,852	142,278	136,035
Tier I ratio	10.1	10.2	10.0	10.3	10.7
BIS ratio	10.3	10.5	10.2	10.6	11.1
	1st	2nd	1 st	2 nd	1 st
	half-year	half-year	half-year	half-year	half-year
Profit and loss account (in EUR millions)					
	2002	2001	2001	2000	2000
- Interest	2,742	2,558	2,502	2,291	2,294
- Commission and other income	1,620	1,757	1,617	1,728	1,438
Total income	4,362	4,315	4,119	4,019	3,732
Operating expenses	2,899	3,075	2,890	2,846	2,613
Value adjustments to receivables	263	280	200	195	165
Addition to fund for general banking risks	0	0	0	52	0
Value adjustments to financial fixed assets	27	65	(6)	0	0
Operating profit before taxation	1,173	895	1,035	926	954
Taxation on operating profit	360	258	274	255	252
Third-party interests	118	102	90	136	43
Net profit	695	535	671	535	659
Efficiency ratio	66.5%	71.3%	68.5%	70.8%	70.0%
Other data					
	30-06-02	31-12-01	30-06-01	31-12-00	30-06-00
Member banks	361	369	386	397	415
Offices:					
- branches	1,513	1,648	1,674	1,727	1,749
- agencies	413	455	492	548	576
Cash dispensing machines	2,943	2,889	2,781	2,676	2,626
Foreign offices	143	143	140	142	147
Employees:					
- total number	58,259	58,120	57,017	55,098	54,009
- full-time equivalents	52,186	52,173	51,343	49,711	49,028
Members (x 1,000)	947	825	700	550	550

General:
Owing to consolidation effects, the amounts for group entities do not always add up to the total of Rabobank Group

Review of operations in the first half of 2002

Deteriorating market conditions had a dampening effect on the results of Rabobank Group. Net profit rose 4% to EUR 695 million.

BANKING

Weaker growth in lending

Private sector lending increased by 2.5% during the first six months of the year to EUR 202.1 billion. Growth slowed partly as a result of a lower dollar exchange rate. In the first half of 2001 growth still came to 6%; for 2001 as a whole, growth of over 10% was achieved. Lending to private clients was up 5% during the past half-year, compared with 7% in the first half of 2001. Lending to the agricultural sector was up 3%, while lending to the trade, industry and services sector slipped 2%.

Further increase in savings

Savings increased by EUR 2 billion, or 3%, compared with year-end 2001, due to the further deterioration of the stock market climate. Clients preferred saving to investing.

The volume of funds entrusted decreased in the first six months of 2002 to EUR 166 (172) billion. Other funds entrusted were down EUR 8 billion. The volume of professional securities transactions was comparable with that achieved at end of 2001.

Position on the mortgage loan market

Obvion commenced operations at the beginning of April in order to bolster Rabobank's position in the mortgage market. This joint venture with the pension fund ABP offers mortgage loans via an agency network. Rabobank has a 70% stake in Obvion.

The market share of member Rabobanks has slowly edged down since the end of 2001 to 22%.

Banking operations of member banks

The result of banking operations of member banks increased due to further growth in banking activities and a higher interest margin. In addition, the past period has been marked by the implementation of performance improvement programmes, relating to both commercial aspects and efficiency enhancement. The first effects of this initiative have become visible this year.

Following rises in recent years and stabilisation in 2001, the size of the workforce decreased in the first six months of 2002 by 683 FTEs to 32,630 FTEs, representing a start to the achievement of our objective. In addition, some 300 FTEs (internal and external staff) left the support units of Rabobank Nederland in the past six months. The performance improvement programmes will be driven forward in the years ahead.

Wholesale banking

Rabobank's wholesale banking operations (Rabobank International, Group Treasury and Rabobank Nederland Corporate Clients) fell just short of the result achieved in the good first half of 2001. Income from venture capital operations, in particular, was below that achieved by this unit in the excellent first half-year in 2001.

Country banking acquisitions

In 2001 it was decided to acquire the Irish state bank ACCBank. The acquisition of ACCBank was completed in March 2002.

It was recently decided to acquire the Valley Independence Bank in the US. It is expected that this

Movements in financial services

	Volume			Change
Banking services				
Private sector lending	EUR	202	billion	+2% ¹⁾
Funds entrusted	EUR	166	billion	-3% ¹⁾
Investment services				
Assets managed	EUR	154	billion	-13% ¹⁾
Number of securities and option orders			844,000	-16% ²⁾
Number of investors			627,000	+0% ¹⁾
Insurance operations				
Premium income	EUR	1,890	million	-15% ²⁾
- Life	EUR	1,246	million	-25% ²⁾
- Non-life	EUR	644	million	+15% ²⁾
Income from services	EUR	116	million	+16% ²⁾
Leasing				
Loan portfolio	EUR	10	billion	-1% ¹⁾

1)
Compared with the position at 31 December 2001

2)
Compared with the first half of 2001

acquisition will be completed at the end of 2002. Both acquisitions are in line with Rabobank's country banking strategy to export its expertise in consumer banking and the agricultural sector to promising markets outside the Netherlands.

INVESTMENT

16% fewer orders

The last half-year was characterised by a further deterioration in the stock market climate, a fact reflected in the number of securities and options orders processed for clients of member Rabobanks. In the first half of the year, 844,000 orders were transacted, a fall of 16% compared with the first half of 2001 (1,003,000). In addition to the securities and options orders, an additional 545,000 (611,000) Robecofondsen orders were transacted, representing an 11% drop. However, the number of investing clients of member Rabobanks rose slightly to 627,000.

Strategic private banking alliance

Rabobank Group has entered into a strategic alliance with the renowned Swiss Bank Sarasin & Cie in the area of private banking. As part of the transaction

Rabobank Nederland acquired a 28% stake in Bank Sarasin & Cie. Rabobank's International Private Banking activities have been transferred to Bank Sarasin & Cie, and Rabobank Nederland has acquired a call option enabling it to acquire a majority interest in the Swiss bank. The transaction resulted in a gain of EUR 87 million.

Fall in assets managed

The volume of assets managed by Rabobank Group was down 13% during the past half-year to EUR 154 (178) billion. Of the fall of EUR 24 billion, EUR 11 billion is attributable to the sale of International Private Banking. Falls in stock market prices were also a major factor. Assets managed is made up of EUR 100 (118) billion assets managed for clients and EUR 54 (60) billion of the group's investment portfolio.

INSURANCE

Premium income down 15%

In the first six months of the year, Interpolis generated premium income of EUR 1,890 (2,212) million, a drop of 15% compared with the first six months of last year. Premium income on life insurance fell in particular. Income fell 25% to EUR 1,246 (1,654) million, chiefly due to the restrictions on the deductibility of annuities and the associated one-off higher income from single premiums in the first half of 2001. Premium income from non-life insurance was up 15%. The growing number of All-in-One policies and Business Compact policies and the rise in the average number of categories insured are the main factors behind the rise in non-life premium income.

Income from services up 16%

Income from pensions, industrial health and safety, and return-to-work services increased by 16% to EUR 116 (100) million. The period ahead will be marked by the integration of the activities performed by the new parts of Interpolis and the further expansion of services.

LEASING

The services of Rabobank's leasing subsidiary De Lage Landen are growing steadily. Owing to a lower dollar exchange rate than at the end of 2001, the volume of the loans portfolio remained virtually unchanged at EUR 10.3 billion. Adjusted for foreign exchange effects, the increase in the loans portfolio totalled 5%. At 30 June 2002, 24% of services originated from the Netherlands, 33% from the rest of Europe and 43% from North and South America.

CO-OPERATIVE

Almost 1 million members

Since the launch of the membership programme and the magazine 'U', the membership of member Rabobanks has soared. At 30 June 2001, 947,000 clients were members of a local Rabobank. Growth in the number of members remains at a healthy level. Over 120,000 new members were registered in the first six months of 2002. The aim of 1.2 million members by the end of 2003 will probably be realised.

Now that the growth in the number of members is progressing well, the focus of member policy will be shifted to increasing the involvement of members with Rabobank. Increased involvement by members at the local cooperatives will enable Rabobank to further define the way in which it acts on its basic principle of being governed primarily by the needs of its clients.

New executive structure

As part of the intensified focus on co-operative banking, the members decided to change the executive structure of Rabobank Nederland. The change resulted in the discontinuation of the Board of Directors and an increase in the influence of member Rabobanks on policy. The Executive Board will in future be known as the Board of Management, while the Dutch title of the Supervisory Board has also been altered. The change to the executive structure enhances the transparency of the governance model, increases the effectiveness of senior management, gives the member banks more responsibility and strengthens the professionalism of senior management.

RESULTS

Income up 6%

Rabobank Group's income in the first half of the year was up 6% at EUR 4,362 million. Net interest income climbed 10% thanks to growth in lending and savings, and a wider interest margin. Despite a fall in securities commission, commission was up 9%. Income from securities and participating interests was 28% higher than a year ago. Results on financial transactions amounted to EUR 70 (194) million and other income EUR 277 (301) million.

Operating expenses

Operating expenses were virtually unchanged, partly due to the efforts to reduce costs. There was a moderate increase in costs at almost all business units. In the years ahead the focus will be on further cost control.

Total expenses up 3%

Total expenses rose by 3% to EUR 3,189 million due to higher value adjustments to receivables and value adjustments to financial fixed assets.

Operating result up 19%

The operating result grew by 19% to EUR 1,463 million. The results of local banks and of lease activities increased. The deteriorating market conditions chiefly affected the results of Interpolis and of the asset management activities, which both recorded lower results than in the first half of 2001. The result generated by wholesale banking operations stabilised.

Efficiency ratio

The efficiency ratio improved from 68.5% to 66.5%. This ratio shows the relationship between operating expenses and total income. The improvement in the efficiency ratio has therefore been robustly continued.

Net profit up 4%

The net profit of Rabobank Group totalled EUR 695 million, a rise of 4%.

Financial targets

Rabobank Group aims to meet three financial targets over a number of years.

Rabobank Group met two of these targets in the first half of 2002. The Tier I ratio and the return on equity slightly exceeded the target at 10.1 and 10.4 respectively. Net profit was up 4% (target 12%).

Outlook

The first half of 2002 was characterised by a negative climate on the stock markets and deteriorating economic conditions. The situation at the start of the second half-year is equally bleak. It will be a substantial undertaking to maintain the growth in profit achieved in the first half of 2002. If market conditions continue to deteriorate in terms of stock market and interest rate developments, the structural earnings performance will come under further pressure.

Movements in financial results

	Volume	Change
Total income	EUR 4,362 million	+6% ²⁾
Operating expenses	EUR 2,899 million	+0% ²⁾
Efficiency ratio	66.5%	
Net profit	EUR 695 million	+4% ²⁾
Total assets	EUR 377 billion	+4% ¹⁾
BIS ratio	10.3	
Tier I ratio	10.1	

1)
Compared with the position
at 31 December 2001

2)
Compared with the first half
of 2001

Notes to the balance sheet

The consolidated total assets of Rabobank Group increased by EUR 14 billion to EUR 377 billion in the first half of 2002, a rise of 4%. The Tier I ratio was 10.1 and the BIS ratio 10.3 at 30 June 2002.

The growth in private sector lending slackened in the first half of the year to 2.5%. The further deterioration in the stock market climate prompted clients to save more. Savings increased by 3%.

THE ASSETS SIDE OF THE BALANCE SHEET

Lending

Rabobank Group's loan portfolio increased by 4% in the first six months of 2002 to EUR 217.1 (208.6) billion. This consists of:

- public sector lending;
- professional securities transactions;
- private sector lending.

Lending to the public sector increased to EUR 4.9 (0.8) billion. Professional securities transactions fell to EUR 10.1 (10.6) billion.

Private sector lending

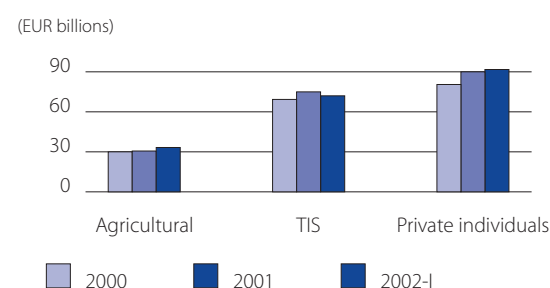
The growth in private sector lending slowed down in the first half of the year, partly due to the lower dollar exchange rate. Lending rose 2.5% compared with year-end 2001 to EUR 202.1 billion. Growth of over 10% had been achieved for 2001 as a whole. EUR 2.5 billion of the growth of EUR 4.8 billion was attributable to the acquisition of ACCBank.

The private sector comprises private individuals, the agricultural sector and the trade, industry and services sector. The growth in lending to private individuals and to businesses in the trade, industry and services sector was down on last year.

Trade, industry and services

Partly owing to a fall in the dollar exchange rate, businesses in the trade, industry and services sector borrowed EUR 1.2 billion less than at year-end 2001, a fall of 2%. The volume of lending by member banks was up 4%, but lending by other units slipped 6%. The total volume of lending to the trade, industry and services sector was EUR 72.3 billion.

Lending by sector



Agricultural sector

Entrepreneurs in the agricultural sector borrowed 3% more on balance at 30 June 2002 than at 31 December 2001, bringing the volume of lending to the agricultural sector to EUR 32.7 (31.7) billion. This amount is divided approximately equally between the primary agricultural sector and the international food and agri-business sector.

Private individuals

Private individuals of Rabobank Group borrowed EUR 5 billion more at 30 June 2002 than at year-end 2001. This 5% increase represents a lower rate of growth than last year. Growth of 14% had been achieved for 2001 as a whole. The slight fall in the share of the mortgage loan market is the chief

reason for the decrease in growth. Total lending to private individuals amounted to EUR 97.1 billion, of which 96% related to mortgage loans.

Banks

This item, which consists of funds lent to credit institutions, totalled EUR 54 (40) billion at 30 June 2002, a rise of EUR 14 billion. EUR 45 (28) billion of the item Banks is accounted for by professional securities transactions.

Other assets

At 30 June 2002 Rabobank Group had interest-bearing securities totalling EUR 71 (79) billion in its balance sheet. EUR 13 (13) billion was invested in shares, and EUR 6 (5) billion in short-term government paper.

THE LIABILITIES SIDE OF THE BALANCE SHEET

Funds entrusted

Funds entrusted to Rabobank Group decreased to EUR 166 (172) billion in the first six months of 2002. This item consists of savings, professional securities transactions and other funds entrusted. Professional securities transactions totalled EUR 8 billion, the same as at year-end 2001, while other funds entrusted dropped to EUR 94 (101) billion.

Savings

Savings increased by EUR 2 billion to EUR 65 billion in the first half-year, a rise of 3%. This rise is primarily due to the negative stock market climate. Clients have deposited their money in savings accounts instead of investing it.

Other liabilities

The item Banks was up 5% at EUR 84 (80) billion. The item debt securities grew by 15% to EUR 68 (59) billion. Provisions increased by EUR 0.3 billion to EUR 18.1 billion during the first six months. Of this amount, EUR 15.0 (14.5) billion concerned technical reserves relating to the insurance business of Interpolis.

Rise in group equity

Rabobank Group's reserves increased by EUR 0.2 billion to EUR 13.6 (13.4) billion. Group equity rose by EUR 0.1 billion, totalling EUR 18.9 billion at 30 June 2002. In addition to the bank's reserves, this item consists of subordinated loans, the Fund for general banking risks and third-party interests.

Off-balance-sheet activities

Off-balance-sheet activities consist, inter alia, of guarantees, irrevocable facilities and derivatives. Guarantees totalled EUR 8.2 (9.7) billion; irrevocable facilities totalled EUR 26.7 (25.7) billion. The notional amounts of the derivatives outstanding was EUR 1,806 (2,213) billion.

Tier I ratio: 10.1

The Tier I ratio and the BIS ratio are the most common ratios used in the financial world to measure capital adequacy. The Tier I ratio expresses the relationship between the core capital and the total risk-weighted assets. At 30 June 2002 the Tier I ratio stood at 10.1 (10.2), slightly above the long-term target of 10.0. The minimum requirement set by the external supervisors is 4.0. The high capital adequacy ratio is an important reason for Rabobank Group's triple A rating.

Total risk-weighted items increased by EUR 3.3 billion to EUR 156.1 billion. This increase was largely the result of the rise in lending. The Tier I capital increased by EUR 0.2 billion to EUR 15.7 billion.

BIS ratio: 10.3

The BIS ratio is calculated by dividing the total of Tier I and Tier II capital by the total of risk-weighted assets. The BIS ratio came to 10.3 (10.5). This is considerably higher than the minimum requirement set by the external supervisors of 8.0.

Notes to the profit and loss account

Rabobank Group's results were affected by the consistently negative stock market climate and the further downturn in the economy. Its net profit for the first half of 2002 totalled EUR 695 million.

INCOME

Total income in the first half of 2002 was up EUR 243 million to EUR 4,362 million, a rise of 6%.

Net interest income up 10%

Net interest income was up EUR 240 million in the first six months of 2002 to EUR 2,742 million. This 10% rise is the result of growth in lending and savings, and a wider interest margin.

Commission up 9%

Commission in the period under review was up 9% to EUR 915 (843) million.

Income from asset management activities were sharply up on the same period of last year as a result of two factors. Firstly, Robeco raised its asset management fees during the second half of 2001. Secondly, income from Harbor Capital Advisors, acquired in mid-2001, are recognised for the first time in the half-year figures for 2002.

Commission on securities brokerage fell by 15% as a result of the low number of orders. Commission income from foreign exchange arbitrage fell due to the introduction of euro banknotes and coins on 1 January 2002.

Other income

Results on financial transactions were down EUR 124 million to EUR 70 million due to lower income from internal derivative transactions, but this fall was largely offset by higher interest income. Income from securities and participating interests was up EUR 79 million, or 28%, to EUR 358 million in the first half-year. Other income fell by EUR 24 million to EUR 277 million.

EXPENSES

Operating expenses were virtually unchanged at EUR 2,899 (2,890) million compared with the first half of 2001. During the whole of 2001 operating expenses grew by 7%. However, the focus will continue to be on further cost control.

Staff costs up 4%

Staff costs were up 4% to EUR 1,859 (1,782) million. The rise in salary costs due to pay increases (partly under Collective Labour Agreements) was partly offset by a smaller number of temporary workers and external staff hired in. The Rabobank Group employed 52,186 FTEs at 30 June 2002.

Other administrative expenses down 8%

Other administrative expenses were down 8% to EUR 857 (929) million. Depreciation increased by EUR 4 million (+2%) to EUR 183 million.

Operating result up 19%

The operating result amounted to EUR 1,463 (1,229) million, 19% up on the first half of 2001.

Operating result by group unit

Banking operations of member banks

The operating result of the member banks was 10% higher than a year ago at EUR 645 (589) million. Total income was up 5% compared with a year ago, while operating expenses were up 3%. Interest income was up 8%, partly as a result of the growth in lending and savings, and a wider interest margin. The ongoing negative stock market climate and the resulting 15% fall in securities brokerage restricted the rise in total income to 5%. The rise in expenses was relatively moderate, partly as a result of programmes aimed at enhancing efficiency. During the first half of 2002 staff numbers fell by 683 FTEs. Further cost control will be needed in the years ahead.

Wholesale banking business

The wholesale banking business (Rabobank International, Rabobank Nederland Corporate Clients and Group Treasury) achieved an operating result of EUR 532 (539) million, 1% below the good first half of 2001. The operating result of Rabobank Nederland Corporate Clients was up on the same period last year. With the exception of income from venture capital operations, Rabobank International's operating result was comparable to that for the first half of 2001, in spite of difficult market conditions. Group Treasury fell short of the result achieved in the good first half of 2001 due to the lower volatility of interest rates.

Asset management

The deterioration in stock market conditions put even more pressure on the results of Rabobank Group's asset management activities than during the first half of 2001. As a consequence, the operating result was down 17% to EUR 54 million.

Insurance business

Interpolis' operating result was down 23% to EUR 84 (109) million, largely due to lower investment results and higher claims.

Leasing

The operating result of De Lage Landen's leasing activities was up 17% to EUR 111 (95) million. This means that the steady increase in results achieved by De Lage Landen has continued so far this year.

Other

The operating result of group units included under Other increased to EUR 37 million.

Value adjustments to receivables

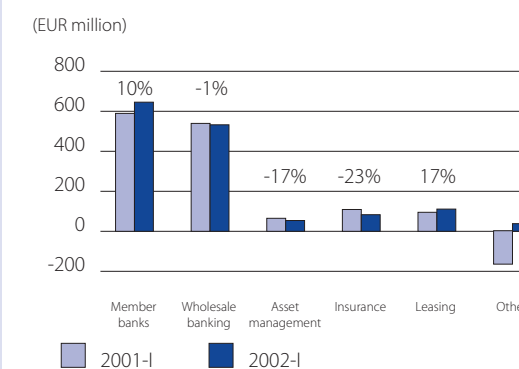
This item is used to account for loan losses. These were EUR 263 million in the first half of 2002, EUR 63 million higher than in the same period of 2001 due to the weaker economy.

Value adjustments to financial fixed assets were EUR 27 (-6) million, owing to the adverse stock market climate.

Net profit up 4%

The tax burden was 31%. Third-party interests increased by EUR 28 million to EUR 118 million. Net profit was up by EUR 24 million, or 4%, to EUR 695 million.

Operating result by group unit



Consolidated balance sheet

(in EUR millions)	30-06-2002	31-12-2001	30-06-2001
Assets			
Cash	3,140	3,736	9,783
Short-term government paper	6,109	5,311	5,768
<i>Professional securities transactions</i>	44,969	28,359	31,804
<i>Other banks</i>	8,555	11,719	12,924
Banks	53,524	40,078	44,728
<i>Public sector lending</i>	4,912	761	733
<i>Private sector lending</i>	202,105	197,262	190,685
<i>Professional securities transactions</i>	10,095	10,591	12,214
Lending	217,112	208,614	203,632
Interest-bearing securities	70,868	78,680	82,788
Shares	13,452	12,556	16,612
Participating interests	207	156	168
Property and equipment	3,862	3,756	3,486
Other assets	4,145	4,226	4,601
Prepayments and accrued income	4,730	6,367	6,250
Total assets	377,149	363,480	377,816
Liabilities			
<i>Professional securities transactions</i>	26,300	17,076	32,061
<i>Other banks</i>	57,491	62,938	64,125
Banks	83,791	80,014	96,186
<i>Saving</i>	64,934	63,060	60,298
<i>Professional securities transactions</i>	7,580	8,485	14,933
<i>Other funds entrusted</i>	93,812	100,629	90,221
Funds entrusted	166,326	172,174	165,452
Debt securities	67,835	58,514	61,877
Other liabilities	16,091	12,039	14,505
Accruals and deferred income	6,123	4,187	5,530
Provisions	18,081	17,758	15,929
	358,247	344,686	359,479
<i>Fund for general banking risks</i>	1,679	1,679	1,666
<i>Subordinated loans</i>	112	52	56
<i>Reserve</i>	13,624	13,409	13,269
<i>Third-party interests</i>	3,487	3,654	3,346
Group equity	18,902	18,794	18,337
Total liabilities	377,149	363,480	377,816
Contingent liabilities	8,238	9,652	9,496
Irrevocable facilities	26,652	25,674	33,477

These interim figures are unaudited.

Consolidated profit and loss account

(in EUR millions)	1st half-year 2002	2nd half-year 2001	1st half-year 2001
Income			
Interest	2,742	2,558	2,502
Income from securities and participating interests	358	238	279
Commission	915	939	843
Results on financial transactions	70	228	194
Other income	277	352	301
Total income	4,362	4,315	4,119
Expenses			
<i>Staff costs</i>	1,859	1,783	1,782
<i>Other administrative expenses</i>	857	1,103	929
Staff costs and other administrative expenses	2,716	2,886	2,711
Depreciation	183	189	179
Operating expenses	2,899	3,075	2,890
Value adjustments to receivables	263	280	200
Value adjustments to financial fixed assets	27	65	(6)
Fund for general banking risks	-	-	-
Total expenses	3,189	3,420	3,084
Operating profit before taxation	1,173	895	1,035
Taxation on operating profit	360	258	274
Operating profit/Group profit after taxation	813	637	761
Third-party interests	118	102	90
Net profit	695	535	671

These interim figures are unaudited.

Cash flow statement

(in EUR millions)	1st half-year 2002	1st half-year 2001
Cash flow from operational activities		
Operating profit/Group profit after taxation	813	761
Adjustments for:		
- depreciation	183	179
- value adjustments to receivables	263	200
- value adjustments to financial fixed assets	27	(6)
- movements in technical reserves relating to the insurance business	466	983
- movements in other provisions	(143)	193
- movements in accrued and deferred items	3,573	(1,131)
	4,369	418
Cash flow from business operations	5,182	1,179
Movements in short-term government paper	(798)	1,594
Movements in securities trading portfolio	1,845	(1,214)
Movements in securitised loans	(30)	(1,511)
Movements in banks	(10,459)	(411)
Movements in lending	(8,761)	(12,166)
Movements in funds entrusted	(5,848)	18,747
Other movements from operational activities	1,456	(14,246)
	(22,595)	(9,207)
Net cash flow from operational activities	(17,413)	(8,028)
Cash flow from investing activities		
Investing activities concerning:		
- investment portfolio	6,943	(3,705)
- participating interests	62	416
- tangible fixed assets	(264)	(268)
Net cash flow (used in)/from investing activities	6,741	(3,557)
Cash flow from financing activities		
Rabobank membership certificates	-	-
Movements in subordinated loans	60	3
Movements in debt securities	9,321	11,990
Payment on Rabobank membership certificates and Trust Preferred Securities	(95)	(53)
Net cash flow from financing activities	9,286	11,940
Net cash flow/increase (decrease) in cash and cash equivalents	(1,386)	355

The cash flow statement provides a summary of the net movements in operational, investing and financing activities.

Cash and cash equivalents consist of legal tender and balances available on demand with central banks.

These interim figures are unaudited.

Movements in reserves

(in EUR millions)	1st half-year 2002	2nd half-year 2001	1st half-year 2001
Balance at 1 January / 1 July ¹	13,409	13,269	13,156
Issue of Rabobank membership certificates	-	1,384	-
Profit for the first / second half-year	695	535	671
Revaluation / release	(17)	(260)	(84)
Goodwill	(310)	(74)	(452)
Payment on Rabobank membership certificates/Trust Preferred Securities	(95)	(69)	(53)
Other movements	(58)	44	31
Balance at 30 June / 31 December	13,624	14,829	13,269
Adjustments due to change in accounting policy for pension charges:			
- Formation of provision for pensions	-	(1,420)	-
	13,624	13,409	13,269

The balance of reserves at 1 January 2002 / 2001 allows for the adjustments arising from the changes in accounting policy.

Accounting policies

The accounting policies are the same as those applied to the annual financial statements.

At 1 January 2002 a change in accounting policy for pension charges was introduced. Under the system which applied until 31 December 2001, the contributions set annually based on the financing agreement with the Stichting Pensioenfonds

Rabobankorganisatie were taken to the profit and loss account. This system resulted in highly fluctuating pension charges in the financial statements. The new system is based on the accrual of pension rights rather than the financing agreement. The new system results in more stable pension charges calculated on the basis of pensionable earnings. The new 'dynamic contribution system' takes account of estimates of a number of future economic factors, such as pay increases, indexations, investment returns and developments in the client base. The estimates are based on long-term studies carried out by the pen-

sion fund. Estimates of future factors are by definition uncertain and will therefore be tested and where necessary adjusted periodically. Owing to the change in accounting policy, at 1 January 2002 EUR 1.4 billion was charged to other reserves and simultaneously a provision for pensions of EUR 2.2 billion was formed and a deferred tax receivable of EUR 0.8 billion was recognised.

The comparative figures in this interim report have been adjusted accordingly. Staff costs for the first half of 2001 were increased by EUR 66 million. Allowing for tax, the net effect on profit is EUR 43 million. Staff costs were also increased by EUR 66 million in the second half of 2001, having a net effect on profit of EUR 42 million in the second half of the year.

The ratios published for 2001 are unchanged. Other prior-year figures have been reclassified where necessary for comparative purposes. These reclassifications have no impact on results and equity.

These interim figures are unaudited.

Profile of the Rabobank Group

The Rabobank Group is the largest financial service provider in the Dutch market. It comprises the local cooperative Rabobanks in the Netherlands, the central Rabobank Nederland organisation and a large number of specialised subsidiaries. The group has been awarded the highest possible credit ratings by all leading rating agencies.

The Rabobank Group is a cooperative organisation founded on the 361 independent local Rabobanks operating in the Netherlands. Their primary goal is to create client value. Together, they form the supra-local cooperative organisation, Rabobank Nederland, which advises the banks and supports their services. In addition, Rabobank Nederland supervises the local banks on behalf of the Dutch central bank and acts as the bankers' bank for the group.

The Rabobank Group's ambition is to provide its 9 million clients, both private and business, with all possible financial products. To this end, it has a large number of specialised businesses engaged in asset management (Robeco), insurance (Interpolis), leasing (De Lage Landen), private banking (Schretlen & Co and Effectenbank Stroeve), equity participations (Gilde), corporate banking and investment banking (Rabobank International and its subsidiary Rabo Securities), real estate project development and project financing (Rabo Vastgoed). These specialised subsidiaries provide financial services and products to the local Rabobanks and their clients on the one hand and serve their own clients directly at home and abroad on the other.

Competence centres

The various Group entities work closely together within the Rabobank Group to form a network of competence centres. This networked expertise allows the group as a whole to respond actively to the growing demand from business clients and private individuals for a balanced package of financial services

and products. The group thus combines the best of two worlds: the local involvement and personal touch of the local Rabobanks with the expertise and scale of a large organisation.

Strong market position

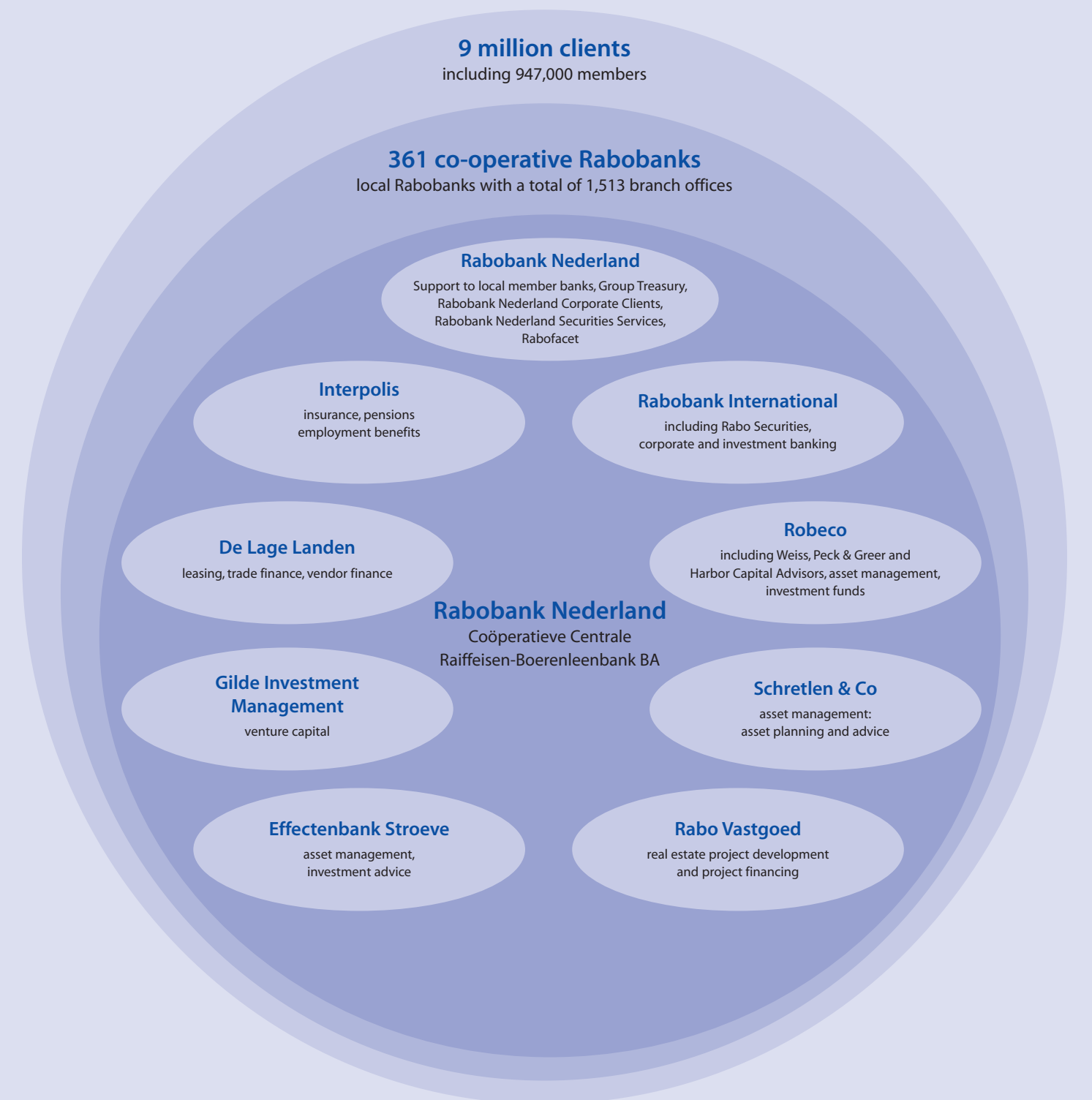
The Rabobank Group is the largest financial service provider in the Dutch market. It serves more than half the population and businesses in the country. It is accordingly market leader for virtually all financial services: mortgage loans (22%), private savings (39%), capital held in investment funds (36%), small and medium-sized enterprises (37%). Its share in the large corporate market is lower but in the agricultural market, where the organisation has its roots, the Rabobank Group accounts for 87% of all bank lending.

Rabobank Group: Triple A

The Rabobank Group's primary target is to create client value. The preconditions for this are to offer employee value and to secure financial stability. The group's success in steering by these three 'compasses' is evidenced by its being awarded the highest credit ratings by all leading rating agencies.

International network

To serve our clients in the international market, the Rabobank Group has 143 branches in 34 countries outside the Netherlands.



More about the Rabobank Group?
www.rabobank.com

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Annual Reports

Rabobank Group publishes the following annual reports:

- Annual Report 2001
- Financial statements and other information 2001
- Annual Responsibility and Sustainability Report 2001
- Interim Report 2002

For copies of these reports please contact Rabobank Nederland, Communications Department.

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All Annual Reports are also available on the internet:
www.rabobankgroup.nl/reports