



Rabobank Nederland  
Corporate Communication Staff Department

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## Press information

Net profit up 4% in 2002

### STABLE RESULTS IN A TURBULENT YEAR

- Private sector lending up 8%
- Savings up 5%
- Assets managed and held in custody down 14%
- Insurance premium income down 7%
- Lease portfolio up 4%
- Number of members up 34%

Rabobank Group achieved stable results in the turbulent year 2002. Despite the sluggish economy, the retail banking operations performed better than in 2001. Results from wholesale banking were higher as well. Results from investing activities and asset management were severely depressed by the unfavourable stock exchange climate, the effect of which was offset by the contribution from acquisitions in the USA. Results from leasing operations showed yet another handsome improvement. Results from insurance operations clearly lagged behind, however. This was due especially to the negative return on the securities portfolio and to significantly higher claims. The number of members rose by 283,000 to well over one million.

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#### Volume of financial services

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	<i>change</i>	<i>volume</i>
<b>Banking</b>		
Private sector lending	+ 8%	EUR 212 billion
Funds entrusted	0%	EUR 172 billion
<b>Investment</b>		
Assets managed and held in custody	- 14%	EUR 153 billion
Number of securities and option orders	- 6%	2.9 million

<b>Volume of financial services, continued</b>		
	<i>change</i>	<i>volume</i>
<b>Insurance</b>		
<b>Insurance premium income</b>	- 7%	<b>EUR 3.7 billion</b>
- Life	- 15%	<b>EUR 2.4 billion</b>
- Non-life	+ 15%	<b>EUR 1.3 billion</b>
<b>Leasing</b>		
<b>Lending portfolio</b>	+ 4%	<b>EUR 11 billion</b>

## **BANKING**

### **Lending**

Despite the sluggish economy, lending to the private sector – private individuals, trade, industry and services and the agricultural sector – increased by 8% to EUR 212 (197) billion. This was mainly the result of the growth in mortgage loans. During the year under review, private individuals borrowed 12% more, compared with a 14% increase in 2001. Lending to businesses, trade, industry and services increased by 3 (8)%, while lending to the agricultural sector was up 6 (7)% overall, with the primary sector (Netherlands and abroad) accounting for 7 (2)% within that total. Total loans granted by Rabobank Group (including public sector lending and professional securities transactions) grew by 8% to EUR 225 (209) billion.

### **Savings again higher**

Total funds entrusted – savings, professional securities transactions and other funds entrusted - remained at virtually the same level as in 2001, at EUR 172 billion. Savings rose by 5% to EUR 66 (63) billion, with internet saving accounting for virtually all of the increase. The unfavourable stock exchange climate and the economic uncertainty caused many clients to opt for a secure savings account.

### **Wholesale banking business**

The wholesale banking business, comprising Rabobank Nederland Corporate Clients, Rabobank International and Group Treasury, performed well, given the economic circumstances. The disappointing income development was offset by the effect of cost-saving measures.

The wholesale banking's operating result increased by EUR 15 million to EUR 900 million. The volume of lending grew by 6% to EUR 48 billion.

## **INVESTMENT**

### **Limited further fall in investment orders**

Despite the worsened stock exchange climate, the further decline in the number of investment orders transacted for clients was limited to 6 (35)%. In 2002, 2.9 million orders were transacted, as against 3.1 million in the previous year. The share of orders placed via the internet increased to 40 (32)%.

### **Assets managed and held in custody down 14%**

At the end of 2002, total assets managed and held in custody by Rabobank Group amounted to EUR 153 billion, down 14% on 2001. Assets managed and held in custody comprise the Group's own investment portfolio and the assets managed on clients' behalf. In 2002, the investment portfolio shrank by 15% to EUR 51 billion. Assets managed by the Group on behalf of clients decreased by 14% to EUR 102 billion. The inflow of new assets amounted to EUR 5 billion.

## **INSURANCE**

### **Insurance premium income down 7%**

Interpolis' insurance premium income fell by 7% in 2002 to EUR 3,660 million. This business was hit hard by the changes to the tax regime for annuities and single-premium policies. Life premium income fell by 15% to EUR 2,405 million. Premium income from Interpolis' non-life insurance business grew by 15% to EUR 1,256 million.

### **Higher income from services**

Income from services in the fields of pensions and industrial health and safety (absenteeism management, health and safety and reintegration) increased by 9% in 2002 to EUR 242 million. Industrial health and safety showed a particularly strong increase.

## **LEASING**

### **Loans portfolio**

De Lage Landen's total loans portfolio at 31 December 2002 amounted to EUR 11.0 (10.6) billion. Adjusted for currency exchange effects, this represents a 14% increase. Of this amount, EUR 2.6 (2.3) billion related to the Netherlands division, EUR 3.5 (3.6) billion to the Vendor Finance Europe division and EUR 4.9 (4.7) billion to the Vendor Finance America division.

## **CO-OPERATIVE**

### **283,000 new members**

Clients can become members of their local Rabobank and in that way exercise influence and have a say in services. A recruitment campaign was launched at the beginning of 2001 with the goal of the local Rabobanks having 1.2 million members by the end of 2003. This target is now within reach. After the strong membership growth in 2001 from 550,000 to 825,000 (+50%), membership grew by another 283,000 to 1.1 million (+34%) in 2002.

## **DIRECT CHANNELS**

### **Banking via the internet and by telephone**

In 2002, interest in virtual banking via the internet and by telephone soared again. The number of contracts for internet banking and the Rabofoon increased by 55% and 20% respectively. With over 1 million online clients, Rabobank has become the biggest internet bank by far in the Netherlands and with 1.3 million hits in December 2002, Rabobank was also one of Europe's most frequented internet banks.

**Shift towards the internet**

The savings market shows a clear shift towards saving via the internet. The number of Rabobank's internet savings accounts doubled to 1 million last year and 30% of the total savings at local Rabobanks is now deposited on a Rabobank Internetspaarrekening (internet savings account), compared with 21% in 2001. Savings deposited via Rabofoon on a Rabo Telespaarrekening (telephone savings account) decreased slightly, from 31% to 30%.

Investment orders, too, are increasingly placed via the internet. In 2002, the percentage of internet securities orders grew from 32% to 40%, causing telephone investment orders and orders placed through the advice channel to decline. In 2002, the share of local bank advisers declined from 46% to 41% and the number of orders placed via the Rabo Orderlijn from 22% to 19%.

**RESULTS****Financial results**

	<i>change</i>	<i>volume</i>
<b>Income</b>	+ 2%	<b>EUR 8,564 million</b>
<b>Operating expenses</b>	- 2%	<b>EUR 5,839 million</b>
<b>Net profit</b>	+ 4%	<b>EUR 1,250 million</b>
<b>Return on equity</b>		<b>9.6%</b>
<b>Total assets</b>	+ 3%	<b>EUR 375 billion</b>
<b>BIS ratio</b>		<b>10.5</b>
<b>Tier I ratio</b>		<b>10.3</b>

Total income rose by 2% in 2002 to EUR 8,564 million, with interest income accounting for 63%. Interest income increased by EUR 309 million to EUR 5,391 million, up 6%. The increase is due to growth in both lending and savings. Total commission income for 2002 was EUR 1,795 million.

Operating expenses fell slightly, by 2% to EUR 5,839 million.

**Net profit up 4%**

After tax of EUR 514 million and third-party interests of EUR 209 million, net profit amounted to EUR 1,250 million, up 4% on 2001.

**Financial objectives**

For the long term, Rabobank Group remains committed to net profit growth of 12%, a return on group equity of 10% and a Tier I ratio of 10.0. However, owing to the state of the economy and the stock exchange climate, combined with the lack of any prospect of real improvement in them, these objectives are not attainable in the short term. Accordingly, the following objectives have been set for the foreseeable future: net profit growth of 8%, a return on group equity of 8% and a Tier I ratio of 10.0.

Given the focus on customer value and a correspondingly conservative risk profile, Rabobank Group considers sustaining a Tier I ratio of 10.0 as its main financial objective. Thanks in part to the issue of Rabobank membership certificates, the Tier I ratio at year-end 2002 was 10.3. The return on group equity was 9.6% for 2002. Net profit growth was 4%.

**Outlook for 2003**

Owing to the enormous uncertainty regarding economic developments and the stock exchange climate for the immediate future, it is difficult to be explicit about the net profit development in 2003. The focus will remain on leveraging commercial opportunities and continuing the programmes that improve efficiency and effectiveness. As income growth is limited, it is clear that tight cost control is the deciding factor for achieving the financial objectives. Unforeseen circumstances not taken into account, the Rabobank Group expects the operational result to grow slightly in 2003.

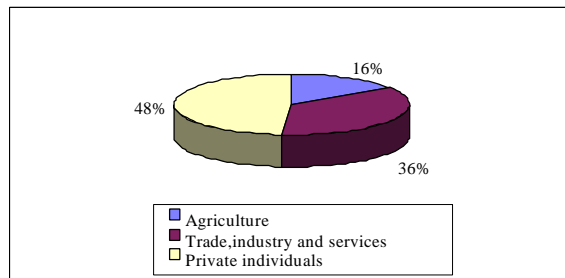
## NOTES TO THE BALANCE SHEET

Rabobank Group's consolidated total assets grew by 3% in 2002 to EUR 375 billion. Lending to the private sector increased by 8%. Due to the highly disappointing year on the stock exchanges, savings were more popular than investments. Savings with Rabobank Group increased by 5%. The Tier I ratio was 10.3.

### THE ASSETS SIDE OF THE BALANCE SHEET

#### Total lending

Total lending by Rabobank Group increased by 8% in 2002 to EUR 225.3 (208.6) billion. This total comprises: lending to the public sector, professional securities transactions and lending to the private sector. In 2002, lending to the public sector was virtually unchanged at EUR 0.8 billion. Professional securities transactions increased to EUR 12.1 (10.6) billion. Lending to the private sector - private individuals, the agricultural sector and the trade, industry and services sector - rose by EUR 15 billion to EUR 212.3 billion. This represents an 8% increase, which is below the levels in previous years.



#### Trade, industry and services

Corporate clients in the trade, industry and services sector borrowed EUR 2.3 billion more in 2002 than in 2001, an increase of 3%. Total loans granted to this sector amounted to EUR 75.8 billion.

#### Agricultural sector

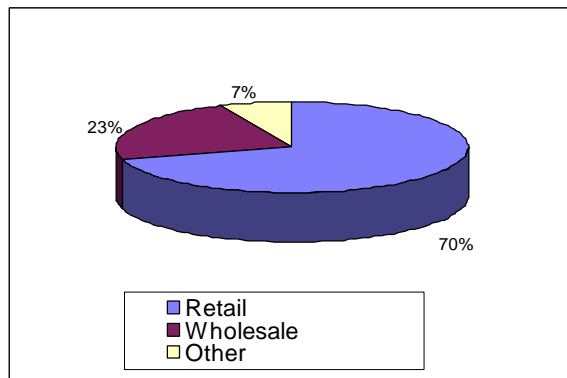
At the end of 2002, lending to corporate clients in the agricultural sector was 6% higher than at the end of 2001. Total loans granted to the agricultural sector amounted to EUR 33.4 (31.7) billion, of which EUR 20.2 (18.8) billion was granted to the primary agricultural sector and EUR 13.2 (12.9) billion to the international food & agri-business sectors.

**Private individuals**

Total loans to private individuals amounted to EUR 103.0 (92.1) billion, EUR 10.9 billion higher than in 2001, an increase of 12%. Mortgage loans accounted for the greater part, EUR 99.8 (88.3) billion.

**Lending by Group units**

Of the total lending to the private sector of EUR 212.3 billion, EUR 150.4 billion was granted by retail banking operations , i.e. the local Rabobanks. Their share of Group loans was 70%. Wholesale banking accounted for EUR 47.8 billion, equal to 23% of Group loans. The other units granted EUR 14,1 billion of the Group's loans.





## THE LIABILITIES SIDE OF THE BALANCE SHEET

### Funds entrusted

Funds entrusted to Rabobank Group - savings, professional securities transactions and other funds entrusted - declined marginally in 2002, by EUR 0.6 billion to EUR 171.6 billion. Professional securities transactions amounted to EUR 6.0 (8.5) billion. Other funds entrusted, including business balances on current accounts and private balances on drawing accounts, slipped by EUR 1.3 billion to EUR 99.3 billion.

### Savings up 5%

At end 2002, the volume of savings was EUR 66.3 (63.1) billion, up 5%. After their sharp increase in 2001, savings rose in 2002 as well. The unfavourable stock exchange climate and the economic uncertainty led many clients to opt for a secure savings account.

### Other liability items

The item banks increased by 7% to EUR 85.9 (80.0) billion. The item debt securities grew by 6% to EUR 61.7 (58.5) billion. At the end of 2002, provisions amounted to EUR 18.3 (18.3) billion. Of this amount, EUR 15.4 (14.5) billion relates to Interpolis' technical reserves.

### Increase in Group equity

Rabobank Group's reserves<sup>1</sup> increased by EUR 1.9 billion to EUR 14.9 billion. This was the outcome of the addition of net profit and the issue of membership certificates on the one hand and write-downs in connection with the payment of goodwill on the other. At the end of 2002, Group equity amounted to EUR 21.2 billion, an increase of EUR 2.8 billion. In addition to reserves, this item comprises subordinated loans, the fund for general banking risks and third-party interests.

### Off-balance sheet activities

Off-balance-sheet services include guarantees, irrevocable facilities and derivatives. The year-end amount of guarantees was EUR 7.7 (9.7) billion; the irrevocable facilities were EUR 27.2 (25.7) billion. The notional value of the derivatives outstanding was EUR 1,700 (2,213) billion. The credit risk incurred on these instruments is comparable to EUR 34.6 (29.9) billion in loans.

### Tier I ratio: 10.3

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 core capital and total risk-adjusted assets. At 31 December 2002 the Tier I ratio stood at 10.3 (9.9). This is higher than the long-term target of 10. The minimum requirement set by the external supervisors is 4. The high capital adequacy ratio is one of the reasons for Rabobank Group's triple A rating awarded by both Moody's and Standard & Poor's.

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<sup>1</sup> Including the effects of the changed accounting policy.

Total risk-adjusted items increased by EUR 13.0 billion to EUR 165.8 billion. This increase was largely due to the rise in lending. The Tier I capital increased by EUR 2.0 billion to EUR 17.1 billion.

**BIS ratio: 10.5**

The BIS ratio is calculated by dividing the total of Tier I and Tier II capital by the total of risk-adjusted assets. The BIS ratio was 10.5 (10.2). This is considerably higher than the minimum requirement set by the external supervisors of 8.0.

**Change in accounting policy for pensions**

In the Rabobank Group's annual accounts for 2001, it was announced that with effect from 1 January 2002 a change in accounting policy for pensions would be implemented. The change concerns the method of recognising pensions in the annual accounts. It has been decided that recognising pension charges on the basis of a cash method of accounting (with alternating repayment of pension contributions, nil pension contributions or very high contributions) is no longer sound. It is not a good thing for short-term aspects of extremely long-term pension agreements to have substantial effect on successive annual results. The new method of pension recognition in the annual accounts is also the more usual one at other banks with international operations. Such a change in accounting policy must be incorporated through equity, including restatement of comparative figures for the previous year. On 1 January 2002, EUR 1.9 billion was charged to equity. Under the new accounting policy, peaks and troughs in pension charges will be a thing of the past as from 2002.

## NOTES TO THE PROFIT AND LOSS ACCOUNT

Rabobank Group's net profit increased by 4% in 2002 to EUR 1,250 million. This is a lower increase than in previous years and was due to the disappointing economic developments and the unfavourable stock exchange climate

### INCOME

Total income rose by 2% in 2002 to EUR 8,564 million with interest income accounting for the greater part, 63%.

#### Interest income

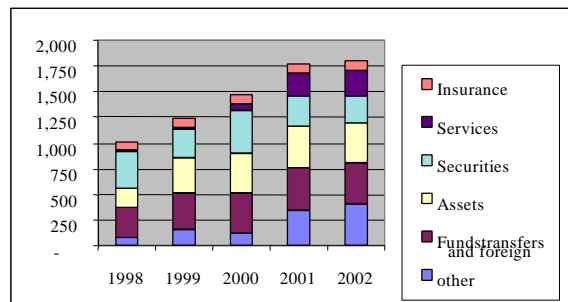
Interest income increased by EUR 309 million, to EUR 5,391 million in 2002, up 6%. The increase is due to growth in both lending and savings.

#### Proceeds from securities and participating interests

Proceeds from securities and participating interests increased by EUR 12 million to EUR 529 million. Gains on the sale of participating interests in particular showed a sharp decline in 2002 as a result of the unfavourable stock exchange climate. The sale to Bank Sarasin & Cie of the international private banking activities resulted in a gain of EUR 81 million.

#### Commission income

Total commission income for 2002 was EUR 1,795 (1,760) million, up 2%.



#### Commission on services

Interpolis showed a 9% increase in commission on services (pensions and industrial health and safety), to EUR 242 million. Commission on industrial health and safety services particularly, showed a sharp increase.

#### Securities brokerage

As a result of the depressed stock exchanges, income from securities brokerage fell by 7% to EUR 269 (291) million. Securities brokerage is realised mainly by the local Rabobanks. The fall in stock prices scared off many clients, which caused the number of orders for securities, options and branded investment funds to decline by 6%, to 2.9 million, compared with the bad year 2001. The increase in the use of the internet to place investment orders also contributed to the decrease in securities brokerage.

**Asset management fees**

Asset management fees consist for the greater part of management fees from the investment funds. Asset management fees in 2002 were EUR 386 million, down 4% on 2001.

**Results on financial transactions**

Results on financial transactions fell by 32% in 2002 to EUR 285 (422) million. Results on financial transactions are realised mainly by the wholesale banking business.

**Other income**

Other income was EUR 564 (653) million, down 14%. Other revenue includes underwriting results on Interpolis insurance contracts.

**EXPENSES**

Operating expenses fell slightly, by 2% to EUR 5,839 (5,965) million. At 63%, staff costs make up the bulk of expenses.

**Staff costs**

Staff costs rose by 3% in 2002 to EUR 3,682 (3,565) million, mainly due to salary increases. Hiring costs for temporary and external staff were lower. The Rabobank Group's workforce decreased in 2002 by 306 FTEs to 51,867 FTEs. The number of jobs decreased especially at the local Rabobanks, where the number of FTEs fell by 1,643. In the other activities, the number of FTEs increased as a result of acquisitions and the replacement of external staff.

**Other administrative expenses and depreciation**

Other administrative expenses declined by 12% to EUR 1,789 (2,032) million. Depreciation of buildings and fixtures and fittings was unchanged at EUR 368 million.

**Value adjustments to receivables**

This item is used to account for loan losses. Value adjustments to receivables are determined by Rabobank Group by way of a general provision based on a long-term weighted average of the actual losses expressed as a percentage of outstanding loans, with the most recent years being given the most weight. In 2002, the item Value adjustments to receivables increased by EUR 20 million to EUR 500 million. This increase is mainly due to the worsened economic conditions and, to a limited degree, increased lending.

**Value adjustments to financial fixed assets**

Value adjustments to financial fixed assets amounted to EUR 252 (59) million in 2002. This increase is mainly due to write-downs of participating interests and unrealised price losses on the Interpolis securities portfolio.

**NET PROFIT**

**Net profit**

After taxes of EUR 514 (532) million and third-party interests of EUR 209 (192) million, net profit amounted to EUR 1,250 million, a rise of 4% on 2001. Given the difficult market conditions, this is an acceptable result.

### Profit appropriation

The net profit, after dividend distributions to holders of membership certificates and Trust Preferred Securities, has been added to reserves to strengthen the financial basis for further development of Rabobank Group and to create customer value in the future.

### OPERATING RESULT BY GROUP UNIT

Rabobank Group's operating profit for 2002 was EUR 2,725 (2,469) million, up 10% on 2001.

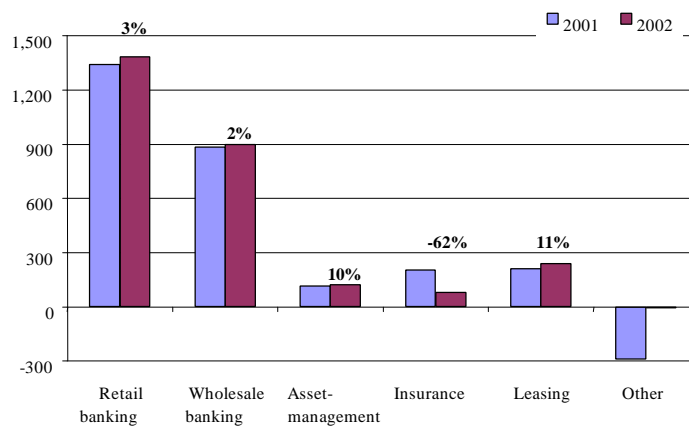
Rabobank Group's operating profit is achieved by six units. These are: retail banking, wholesale banking, asset management, insurance, leasing and other units.

#### Retail banking

In 2002, gross profit from retail banking increased by EUR 44 million, or 3%, to EUR 1,387 million. Total income was up 6% and operating expenses were up 7% on 2001. The increase in income is largely due to growth in both lending and savings. The number of securities orders fell, as did, consequently, securities brokerage. Partly as a result of efficiency programmes, the costs increase was relatively limited. Staff numbers fell in 2002 by 1,643 FTEs.

#### Wholesale banking

Wholesale banking activities (Rabobank International, Rabobank Nederland Corporate Clients and Group Treasury) achieved a slight improvement in 2002 of EUR 15 million, to EUR 900 million. Thanks to cost-saving measures, expenses fell by 7% to EUR 915 million. Income declined by 3% to EUR 1,815 million. Compared with 2001, Rabobank International's income from venture capital in particular lagged behind. Partly as a result of the low interest volatility, Group Treasury was unable to improve on the excellent result



achieved in 2001. Gross income of Rabobank Nederland Corporate Clients was considerably higher than in the previous year.

**Asset management**

Results from asset management activities experienced severe downward pressure from the unfavourable stock exchange climate in 2002. Nevertheless, income rose by 10% to EUR 127 (116) million as a result of acquisitions and cost savings. Commission income fell by EUR 89 million to EUR 423 (512) million. This decrease is the result of lower transaction commission and lower management fees owing to a decline in assets managed and held in custody. Partly as a result of cost measures, expenses fell by 19% to EUR 459 million.

**Insurance**

Interpolis had a disappointing year. The tax regime changes caused a significant decrease in results from life insurance. Income was also depressed by the negative return on the investment portfolio and the storm claims incurred in October. The development of income from industrial health and safety activities represented a positive exception. Total income for Interpolis fell by EUR 124 million to EUR 77 (201) million in 2002, is a 62% decline.

**Leasing**

The result from leasing activities rose by 11% to EUR 238 (215) million. The activities in leasing and trade finance in the Netherlands contributed to this increase, as did the international activities in vendor finance.

**Other units**

The results from the units included in Other units improved from a loss of EUR 287 million in 2001 to a loss of EUR 5 million in 2002. This includes a book profit of the sales of the international private banking activities.

## CONSOLIDATED BALANCE SHEET (AFTER PROFIT APPROPRIATION) OF RABOBANK GROUP

<b>(in EUR millions)</b>	<b>at 31st December 2002</b>	<b>at 31st December 2001</b>
<b>Assets</b>		
Cash	3,807	3,736
Short-term government paper	1,813	5,311
<i>Professional securities transactions</i>	40,053	28,359
<i>Other banks</i>	<u>7,176</u>	<u>11,719</u>
Banks	47,229	40,078
<i>Public sector lending</i>	797	761
<i>Private sector lending</i>	212,323	197,262
<i>Professional securities transactions</i>	<u>12,132</u>	<u>10,591</u>
Lending	225,252	208,614
Interest-bearing securities	71,320	78,680
Shares	11,062	12,556
Participating interests	184	156
Property and equipment	3,870	3,756
Other assets	4,519	4,425
Prepayments and accrued income	<u>5,664</u>	<u>6,367</u>
<b>Total assets</b>	<b>374,720</b>	<b>363,679</b>
<hr/>		
<b>(in EUR millions)</b>	<b>at 31st December 2002</b>	<b>at 31st December 2001</b>
<b>Liabilities</b>		
<i>Professional securities transactions</i>	21,808	17,076
<i>Other banks</i>	<u>64,078</u>	<u>62,938</u>
Banks	85,886	80,014
<i>Savings</i>	66,272	63,060
<i>Professional securities transactions</i>	6,031	8,485
<i>Other funds entrusted</i>	<u>99,329</u>	<u>100,629</u>
Funds entrusted	171,632	172,174
Debt securities	61,739	58,514
Other liabilities	7,699	12,039
Accruals and deferred income	8,218	4,187
Provisions	<u>18,338</u>	<u>18,336</u>
	353,512	345,264
<i>Fund for general banking risks</i>	1,679	1,679
<i>Subordinated loans</i>	111	52
<i>Reserves</i>	14,911	13,030
<i>Third-party interests</i>	<u>4,507</u>	<u>3,654</u>
Group equity	<u>21,208</u>	<u>18,415</u>
<b>Total liabilities</b>	<b>374,720</b>	<b>363,679</b>
Contingent liabilities	7,655	9,652
Irrevocable facilities	27,151	25,674

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

<b>(in EUR millions)</b>	<b>2002</b>	<b>2001</b>
<b>Income</b>		
<i>Interest income</i>	18,265	20,042
<i>Interest expense</i>	<u>12,874</u>	<u>14,960</u>
Interest	5,391	5,082
Income from securities and participating interests	529	517
<i>Commission income</i>	2,049	1,974
<i>Commission expense</i>	<u>254</u>	<u>214</u>
Commission	1,795	1,760
Results on financial transactions	285	422
Other income	<u>564</u>	<u>653</u>
<b>Total income</b>	<b>8,564</b>	<b>8,434</b>
<b>Expenses</b>		
<i>Staff costs</i>	3,682	3,565
<i>Other administrative expenses</i>	<u>1,789</u>	<u>2,032</u>
Staff costs and other administrative expenses	5,471	5,597
Depreciation	<u>368</u>	<u>368</u>
Operating expenses	5,839	5,965
Value adjustments to receivables	500	480
Value adjustments to financial fixed assets	<u>252</u>	<u>59</u>
<b>Total expenses</b>	<b>6,591</b>	<b>6,504</b>
Operating profit before taxation	1,973	1,930
Taxation on operating profit	<u>514</u>	<u>532</u>
Operating profit/Group profit after taxation	1,459	1,398
Third-party interests	<u>209</u>	<u>192</u>
<b>Net profit</b>	<b>1,250</b>	<b>1,206</b>



## CASH FLOW STATEMENT

(in EUR millions)

	2002	2001
<b>Cash flow from operational activities</b>		
Group profit after taxation	1,459	1,398
<i>Adjustments for:</i>		
- Depreciation	368	368
- Value adjustments to receivables	500	480
- Value adjustments to financial fixed assets	252	59
- Movements in technical reserves relating to the insurance business	939	1,439
- Movements in other provisions	-937	-19
- Movements in accrued and deferred items	4,734	-2,591
	<u>5,856</u>	<u>-264</u>
<b>Cash flow from business operations</b>	<b>7,315</b>	<b>1,134</b>
Movements in short-term government paper	3,498	2,051
Movements in securities trading portfolio	3,340	198
Movements in securitised loans	-154	159
Movements in banks	-675	-4,294
Movements in lending	-17,138	-17,428
Movements in funds entrusted	-542	25,469
Other movements from operational activities	-469	-8,793
	<u>-12,140</u>	<u>-2,638</u>
<b>Net cash flow from operational activities</b>	<b>-4,825</b>	<b>-1,504</b>
<b>Cash flow from investing activities</b>		
Investments and purchases		
- Investment portfolio	-22,495	-35,864
- Participating interests	-126	-39
- Tangible fixed assets	-802	-869
	<u>-23,423</u>	<u>-36,772</u>
Disposals, redemptions and sales		
- Investment portfolio	23,801	29,676
- Participating interests	136	457
- Tangible fixed assets	333	202
	<u>24,270</u>	<u>30,335</u>
<b>Net cash flow from investing activities</b>	<b>847</b>	<b>-6,437</b>
<b>Cash flow from financing activities</b>		
Rabobank membership certificates	1,575	1,384
Movements in subordinated loans	59	-1
Movements in debt securities	3,225	8,627
Payment on Rabobank membership certificates and Trust Preferred Securities	-206	-122
<b>Net cash flow from financing activities</b>	<b>4,653</b>	<b>9,888</b>
<b>Net cash flow</b>	<b>675</b>	<b>1,947</b>

<b>KEY FIGURES</b>					
	at 31st December	at 31st December	at 31st December	at 31st December	at 31st December
<b>Volume of services (in EUR millions)</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Total assets	374,720	363,679 <sup>1)</sup>	342,920	281,218	249,718
Private sector lending	212,323	197,262	179,137	161,074	129,554
Funds entrusted	171,632	172,174	146,705	127,527	114,826
Assets managed	153,200	177,800	159,000	139,800	124,100
Premium income, insurance	3,660	3,926	3,417	2,867	2,485
<b>Financial position and solvency (in EUR millions)</b>					
	at 31st December	at 31st December	at 31st December	at 31st December	at 31st December
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Reserves	14,911	13,030 <sup>1)</sup>	13,108	11,867	10,381
Tier I capital	17,071	15,092 <sup>1)</sup>	14,653	13,007	11,817
Tier I + Tier II capital	17,414	15,542 <sup>1)</sup>	15,093	13,650	12,660
Total risk-weighted assets	165,843	152,812	142,278	129,801	114,445
Solvency requirements	13,268	12,225	11,382	10,384	9,156
Tier I ratio	10.3	9.9 <sup>2)</sup>	10.3	10.0	10.3
BIS ratio	10.5	10.2 <sup>2)</sup>	10.6	10.5	11.1
<b>Profit and loss account (in EUR millions)</b>					
- Interest	5,391	5,082	4,585	4,499	3,781
- Commission and other income	3,173	3,552	3,175	2,307	2,051
Total income	8,564	8,434	7,760	6,806	5,832
Operating expenses	5,839	5,965 <sup>1)</sup>	5,459	4,826	4,099
Value adjustments to receivables	500	480	360	350	340
Value adjustments to financial fixed assets	252	59	9	0	0
Addition to the fund for general banking risks	0	0	52	100	0
Operating profit before taxation	1,973	1,930	1,880	1,530	1,393
Taxation on operating profit	514	532	507	423	401
Third-party interests	209	192	179	87	56
Net profit	1,250	1,206	1,194	1,020	936
<b>Ratios</b>					
Return on reserves	9.6%	9.2%	10.1%	9.8%	9.6%
Efficiency ratio	68.2%	70.7%	70.3%	70.9%	70.3%
<b>Other data (numbers of)</b>					
	at 31st December	at 31st December	at 31st December	at 31st December	at 31st December
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Member banks	349	369	397	424	445
Offices:					
- branches	1,516	1,648	1,727	1,795	1,797
- agencies	402	455	548	610	629
Cash dispensing machines	2,979	2,889	2,676	2,546	2,430
Foreign places of business	169	137	142	147	150
Employees:					
- total number	58,096	58,120	55,098	53,147	49,465
- full-time equivalents	51,867	52,173	49,711	48,224	45,310
Members (x 1,000)	1,108	825	550	510	515

1) These figures have been changed due to a change in accounting principles.

2) The Tier 1 ratio and the BIS ratio for 2001 have been calculated taking into account the effect on equity of the changed accounting policy for pensions with effect from 1 January 2002.

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