

Quarterly report for the 2nd quarter of 2002

SAB - Q II/2002 Form (for banks)

Pursuant to §1, item 2 and §57, item 1, point 1 of the Council of Ministers Ordinance dated October 16, 2001 (Official Journal No. 139/2001, item 1569 and No. 31/2002, item 280)

The Board of Executives of Fortis Bank Polska SA
hereby releases the quarterly report for the second quarter of 2002

July 31, 2002
(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	2nd quarter from April 1, 2002 to June 30, 2002	2nd quarter YTD from Jan. 1, 2002 to June 30, 2002	2nd quarter from April 1, 2002 to June 30, 2002	2nd quarter YTD from Jan. 1, 2002 to June 30, 2002
I. Interest income	81 645	165 207	21 527	44 619
II. Fee and commission income	17 716	36 097	4 671	9 749
III. Profit on banking activities	74 915	139 028	19 752	37 548
IV. Net operating result	17 176	27 072	4 529	7 312
V. Gross profit (loss)	17 176	27 072	4 529	7 312
VI. Net profit (loss)	12 832	19 008	3 383	5 134
VII. Net cash flow from operating activity	76 056	(56 425)	20 053	(15 239)
VIII. Net cash flow from investing activity	99 170	(241 335)	26 147	(65 179)
IX. Net cash flow from financial activity	(70 371)	(89 550)	(18 554)	(24 185)
X. Net cash flow	104 855	(387 310)	27 646	(104 604)
XI. Total assets	4 160 436		E	
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 113 067		277 635	
XIV. Due to non-financial sector and budget sector	2 372 579		591 798	
XV. Own equity	509 275		127 030	
XVI. Share capital	30 155		7 522	
XVII. Number of shares	15 077 700		15 077 700	
XVIII. Book value per share (in PLN/EUR)	33,78		8,43	
XIX. Diluted book value per share (in PLN/EUR)	33,78		8,43	
XX. Capital adequacy ratio	19,12		19,12	
XXI. Profit (loss) per ordinary share (in PLN/EUR)	1,87		0,49	
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)	1,87		0,49	
XXIII. Declared or paid-out dividend per ordinary share (in PLN/EUR)				

BALANCE-SHEET (PLN'000)	30.06.2002 end of the quarter (current year)	31.03.2002 end of the prior quarter (current year)	30.06.2001 end of the quarter (previous year)	31.03.2001 end of the prior quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	159 868	134 376	221 091	154 897
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	872 367	682 714	713 002	613 544
1. A ^{vista}	209 582	130 219	265 403	6 156
2. Term	662 785	552 495	447 599	607 388
IV. Due from non-financial sector	2 358 579	2 286 839	2 089 933	2 012 321
1. A ^{vista}	454 677	476 481	331 152	315 638
2. Term	1 903 902	1 810 358	1 758 781	1 696 683
V. Due from budget sector	0	7	28 967	31 023
1. A ^{vista}		7		
2. Term			28 967	31 023
VI. Receivables subject to securities sale and repurchase agreements				
VII. Debt securities	598 825	643 779	310 166	436 179
VIII. Shares and investments in subsidiaries	8 561	9 242	18 196	18 196
IX. Shares and investments in affiliates				
X. Shares and investments in associates				
XI. Shares and investments in other entities	45	40	38	40
XII. Other securities and other financial assets		31 058	124 188	124 188
XIII. Intangible fixed assets, incl. - company value	16 404	17 139	16 999	12 325

XIV. Tangible fixed assets	68 471	70 210	85 097	79 637
XV. Other assets	29 951	35 106	235 109	13 901
1. Seized assets for sale				
2. Others	29 951	35 106	235 109	13 901
XVI. Interperiod settlements	47 365	57 240	51 886	36 039
1. Deferred income tax	36 071	33 138	27 438	26 176
2. Other interperiod settlements	11 294	24 102	24 448	9 863
Total assets	4 160 436	3 967 750	3 894 672	3 532 290
LIABILITIES				
I. Due to the Central Bank			20 021	3 003
II. Due to other financial institutions	1 113 067	858 249	936 976	743 729
1. A`vista	128 620	137 759	49 434	27 930
2. Term	984 447	720 490	887 542	715 799
III. Due to non-financial institutions	2 343 310	2 419 024	2 291 749	2 382 939
1. Savings:				
a) A`vista				
b) Term				
2. Others:	2 343 310	2 419 024	2 291 749	2 382 939
a) A`vista	782 862	701 854	591 487	486 270
b) Term	1 560 448	1 717 170	1 700 262	1 896 669
IV. Due to budget sector	29 269	26 034	30 137	18 917
a) A`vista	5 526	3 939	855	721
b) Term	23 743	22 095	29 282	18 196
V. Liabilities in respect of securities subject to sale and repurchase agreements				
VI. Debt securities issued				
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments				
VIII. Special funds and other liabilities	68 893	77 988	65 876	49 241
IX. Accruals and deferred income	79 648	72 645	47 106	37 352
1. Settlement of accrued expenses	9 132	8 491	9 092	7 331
2. Negative company value				
3. Other accruals and deferrals	70 516	64 154	38 014	30 021
X. Provisions	16 974	17 367	22 469	18 072
1. Provisions for income tax	16 165	16 388	16 194	11 057
2. Other provisions	809	979	6 275	7 015
a. Short-term				
b. Long-term	809	979	6 275	7 015
XI. Subordinated debt				
XII. Share capital	30 155	30 155	30 155	20 104
XIII. Unpaid contribution to share capital (negative value)				
XIV. Own shares (negative value)				
XV. Reserve capital	352 220	352 220	352 213	162 234
XVI. Revaluation reserve	545	545	552	552
XVII. Other reserves	96 062	96 062	96 062	75 030
XVIII. Undistributed profit (uncovered loss) from prior years	11 285	11 285		21 032
XIX. Net profit (loss)	19 008	6 176	1 356	85
Total liabilities	4 160 436	3 967 750	3 894 672	3 532 290
Capital Adequacy Ratio	19,12	19,60	19,50	10,95
Net book value	509 275	496 443	480 338	279 037
Number of shares	15 077 700	15 077 700	15 077 700	10 051 800
Net book value per share (in PLN)	33,78	32,93	31,86	27,76
Expected number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Diluted book value per share (in PLN)	33,78	32,93	31,86	18,51

OFF - BALANCE SHEET ITEMS	30.06.2002	31.03.2002	30.06.2001	31.03.2001
	end of the quarter (current year)	end of the prior quarter (current year)	end of the quarter (previous year)	end of the prior quarter (previous year)
I. Contingent liabilities and assets:	1 481 122	1 472 958	828 669	622 162
1. Contingent liabilities granted:	860 015	845 211	651 255	521 125
a) lending commitments	720 638	707 891	570 049	443 177
b) guarantees	139 377	137 320	81 206	77 948
2. Contingent assets received:	621 107	627 747	177 414	101 037
a) lending commitments	559 055	549 347	140 614	64 526
b) guarantees	62 052	78 400	36 800	36 511
II. Commitments resulting from sale/purchase transactions	3 693 234	3 490 608	1 497 744	1 077 463
III. Others, including:	40 255		1 994	12 273
- liabilities due to FC deposit transactions	40 255		1 994	12 273
TOTAL	5 214 611	4 963 566	2 328 407	1 711 898

PROFIT AND LOSS STATEMENT	2nd quarter	2nd quarter	2nd quarter	2nd quarter
	from April 1, 2002 to June 30, 2002	from Jan. 1, 2002 to June 30, 2002	from April 1, 2002 to June 30, 2002	from Jan. 1, 2002 to June 30, 2002
I. Interest income	81 645	165 207	109 054	227 940
II. Interest expense	48 758	101 133	83 469	173 192
III. Net interest income(I-II)	32 887	64 074	25 585	54 748
IV. Fee and commission income	17 716	36 097	13 804	26 822
V. Fee and commission expense	3 142	5 290	751	1 390
VI. Net fee and commission income (IV-V)	14 574	30 807	13 053	25 432
VII. Income on shares, securities and other financial instruments with variable yield	(4 070)	(6 725)	4 196	5 635
1. From subsidiaries				
2. From affiliates				
3. From associates				
4. From other entities	(4 070)	(6 725)	4 196	5 635
VIII. Net result on financial operations	17 503	21 441	6 582	6 933
IX. Net result on FX differences	14 021	29 431	9 884	18 708
X. Result on banking activity	74 915	139 028	59 300	111 456
XI. Other operating income	1 043	3 073	1 172	2 268
XII. Other operating expenses	1 799	2 314	3 159	4 459
XIII. General expenses	35 314	69 612	35 861	71 559
XIV. Depreciation of tangible&intangible fixed assets	7 156	14 324	6 539	11 831
XV. Charges to provisions and revaluation	19 873	39 550	17 206	38 321
1. Specific provisions and general risk reserve	19 192	37 915	17 206	38 321
2. Revaluation of financial assets	681	1 635		
XVI. Release of provisions and other decreases in respect of revaluation	5 360	10 771	5 660	16 006
1. Release of specific provisions and general risk reserve	5 360	10 771	5 660	16 006
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(14 513)	(28 779)	(11 546)	(22 315)
XVIII. Operating profit	17 176	27 072	3 367	3 560
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				181
2. Extraordinary losses				181
XX. Profit (loss) before taxation	17 176	27 072	3 367	3 560
XXI. Corporate income tax	4 344	8 064	2 096	2 204
1. current	7 499	12 939	(1 778)	2 634
2. deferred	(3 155)	(4 875)	3 874	(430)
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights				
XXIV. Net profit (loss)	12 832	19 008	1 271	1 356
Net profit (loss) (for 12 months)	28 173		18 330	
Weighted average number of ordinary shares	15 077 700		15 077 700	
Net profit (loss) per ordinary share (in PLN)	1,87		1,22	
Weighted average of estimated number of ordinary shares	15 077 700		15 077 700	
Diluted net profit (loss) per ordinary share (in PLN)	1,87		1,22	

MOVEMENTS IN OWN EQUITY	2nd quarter from April 1, 2002 to June 30, 2002	2nd quarter from Jan. 1, 2002 to June 30, 2002	2nd quarter from April 1, 2002 to June 30, 2002	2nd quarter from Jan. 1, 2002 to June 30, 2002
I. Opening balance of own equity	(6 176)	490 267		278 952
a) Changes in adopted accounting principles (policy)		764		
b) Correction of material errors				
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	(6 176)	490 267		278 952
1. Opening balance of share capital		30 155		20 104
1.1. Movements in share capital			10 051	10 051
a) increases (in respect of)			10 051	10 051
- issue of shares			10 051	10 051
b) decreases (in respect of)				
- redemption of shares				
1.2. Closing balance of share capital		30 155	10 051	30 155
2. Opening balance of unpaid contribution to share capital				
2.1. Movements in unpaid contributions to share capital				
a) increases				
b) decreases				
2.2. Closing balance of unpaid contribution to share capital				
3. Opening balance of own shares				
a) increases				
b) decreases				
3. Closing balance of own shares				
4. Opening balance of reserve capital		352 220		162 234
4.1. Movements in reserve capital			189 979	189 979
a) increases (in respect of)			189 979	189 979
- issuance of shares above their par value			189 979	189 979
- profit distribution (mandatory)				
- distribution of profit (voluntary)				
- sale and liquidation of fixed assets				
b) decreases (in respect of)				
- covering prior period losses				
- sale and liquidation of fixed assets				
4.2. Closing balance of reserve capital		352 220	189 979	352 213
5. Opening balance of revaluation reserve		545		552
5.1. Movements in revaluation reserve				
a) increases (in respect of)				
b) decreases (in respect of)				
- sale of fixed assets				
5.2. Closing balance of revaluation reserve		545		552
6. Opening balance of General Risk Fund		79 044		58 012
6.1. Movements in General Risk Fund			21 032	21 032
a) increases (in respect of)			21 032	21 032
- profit distribution			21 032	21 032
b) decreases (in respect of)				
6.2. Closing balance of General Risk Fund		79 044	21 032	79 044
7. Opening balance of other reserve capital		17 018		17 018
7.1. Movements in other reserve capital				
a) increases (in respect of)				
b) decreases (in respect of)				
7.2. Closing balance of other reserve capital		17 018		17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year		11 285		
				21 032
8.1. Opening balance of undistributed profit from prior years		11 285	(21 032)	
a) Changes in adopted accounting principles (policy)		764		
b) corrections of material errors				
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation		11 285	21 032	21 032

8.3. Movements in undistributed profit from prior years			(21 032)	(21 032)
a) increases (in respect of)				
- profit distribution				
b) decreases (in respect of)			(21 032)	(21 032)
- profit distribution			(21 032)	(21 032)
8.4. Closing balance of undistributed profit from prior years		11 285	(21 032)	
8.5. Opening balance of uncovered loss from prior years				
a) Changes in adopted accounting principles (policy)				
b) corrections of material errors				
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation				
8.7. Movements in uncovered loss from prior years				
a) increases (in respect of)				
- loss for covering				
b) decreases (in respect of)				
8.8. Closing balance of uncovered loss from prior years				
8.9. Closing balance of undistributed profit or uncovered loss from prior years		11 285	(21 032)	
9. Net income	12 832	19 008	1 271	1 356
a) net profit	12 832	19 008	1 271	1 356
b) net loss				
II. Closing balance of own equity	12 832	509 275	201 301	480 338
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	12 832	509 275	201 301	480 338

CASH FLOW STATEMENT	2nd quarter	2nd quarter	2nd quarter	2nd quarter
	from April 1, 2002 to June 30, 2002	YTD from Jan. 1, 2002 to June 30, 2002	from April 1, 2002 to June 30, 2002	YTD from Jan. 1, 2002 to June 30, 2002
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*	76 056	(56 425)	51 700	21 867
I. Net profit (loss)	12 832	19 008	1 271	1 356
II. Adjustments for:	63 224	(75 433)	50 429	20 511
1. Share in net profit (loss) of subsidiaries estimated by ownership rights				
2. Depreciation	7 156	14 324	6 539	11 831
3. Foreign exchange gains/(losses)				
4. Interest and dividends received and paid		(625)	(460)	(3 639)
5. Profit (loss) on investments	(15 351)	(15 570)	12	(1 693)
6. Change in other reserves	(171)	(208)	(741)	(12)
7. Change in debt securities held	(10 586)	(14 119)	(7 615)	(4 838)
8. Change in amounts due from financial sector	(110 290)	(19 731)	159 789	334 210
9. Change in amounts due from non-financial and budget sectors	(71 733)	(244 838)	(75 556)	(273 149)
10. Change in receivables in respect of securities subject to sale and repurchase agreements				
11. Change in shares securities and other financial instruments with variable yield				
12. Change in amounts due to financial sector	325 176	290 366	230 763	223 826
13. Change in amounts due to non-financial and budget sectors	(72 479)	(132 526)	(79 970)	(54 929)
14. Change in payables in respect of securities subject to sale and repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	(7 252)	(32 948)	17 071	(11 344)
17. Change in interperiod settlements	10 020	7 655	(8 806)	(14 629)
18. Change in deferred income	6 362	13 943	7 993	15 853
19. Other items	2 372	58 844	(224 440)	(200 976)
III. Net cash flow from operating activity (I +/- II)	76 056	(56 425)	25 850	21 867
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows from investing activity				
1. Sale of shares in subsidiaries	267 118	703 005	864 781	2 267 148
2. Sale of shares in affiliates	62 101	62 101		
3. Sale of shares in associates				
4. Sale of other shares, securities and financial assets	205 579	634 743	863 374	2 255 489
5. Sale of tangible and intangible fixed assets	112	243	161	185
6. Investments in real estates and intangible assets				
7. Other inflows	(674)	5 918	1 246	11 474
II. Cash outflows from investing activity	(167 948)	(944 340)	(744 670)	(2 320 379)
1. Purchase of shares in subsidiaries				
2. Purchase of shares in affiliates				

3. Purchase of shares in associates				
4. Purchase of other shares, securities and financial assets	(163 476)	(936 953)	(728 112)	(2 282 278)
5. Purchase of tangible and intangible fixed assets	(4 472)	(7 387)	(16 558)	(38 101)
6. Investments in real estates and intangible assets				
7. Other outflows				
III. Net cash flow from investing activity (I +/- II)	99 170	(241 335)	120 111	(53 231)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows from financial activity			179 532	252 999
1. Long-term loans from other banks			(20 498)	52 969
2. Long-term loans from other financial institution				
3. Issue of debt securities				
4. Increase in subordinated debt				
5. Net inflows from issuance of own shares and additional payments to share capital			200 030	200 030
6. Other inflows				
II. Cash outflows from financial activity	(70 371)	(89 550)	(52)	(228)
1. Repayment of long-term loans contracted from other banks	(70 358)	(89 537)		
2. Repayment of long-term loans contracted from non-bank financial institutions				
3. Redemption of debt securities				
4. Other financial liabilities				
5. Payment of liabilities under financial lease agreements				
6. Decrease in subordinated debt				
7. Payment of dividends and other payments to owners				
8. Other payments (not to owners) related to profit distribution				
9. Purchase of own shares				
10. Other outflows	(13)	(13)	(52)	(228)
III. Net cash flow from financial activity (I +/- II)	(70 371)	(89 550)	179 480	252 771
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	104 855	(387 310)	51 700	221 407
E. CHANGE IN CASH IN BALANCE-SHEET	(387 310)	(387 310)	(52 189)	221 407
- including changes in cash arising from exchange rate differences	2 659	4 349	(678)	(1 421)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	264 595	756 760	213 242	265 087
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	104 855	369 450	264 942	486 494
- including cash with restricted option of use				

Signatures:

Jean-Marie De Baerdemaeker, President of the Board

Andre Van Brussel, Vice-President
Chief Financial Officer