

Quarterly report for the 2nd quarter of 2003

SAB - Q II/2003 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 2003

July 31, 2003
(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	2nd quarter YTD	2nd quarter YTD	2nd quarter YTD	2nd quarter YTD
	from Jan. 1, 2003 to June 30, 2003	from Jan. 1, 2002 to June 30, 2002	from Jan. 1, 2003 to June 30, 2003	from Jan. 1, 2002 to June 30, 2002
I. Interest income	108 280	165 207	25 117	44 619
II. Fee and commission income	36 888	36 097	8 557	9 749
III. Result on banking activity	109 849	139 028	25 481	37 548
IV. Net operating result	21 288	28 707	4 938	7 753
V. Gross profit (loss)	21 288	28 707	4 938	7 753
VI. Net profit (loss)	17 243	19 008	4 000	5 134
VII. Net cash flow from operating activity	(150 255)	(153 443)	(34 854)	(41 442)
VIII. Net cash flow from investing activity	229 181	(233 200)	53 162	(62 982)
IX. Net cash flow from financial activity	(51 888)	(667)	(12 036)	(180)
X. Net cash flow	27 038	(387 310)	6 272	(104 604)
XI. Total assets	4 161 081	4 160 436	933 606	1 037 748
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 242 870	1 113 067	278 858	277 635
XIV. Due to customers and budget sector	2 132 104	2 372 579	478 372	591 798
XV. Own equity	506 292	509 275	113 595	127 030
XVI. Share capital	30 155	30 155	6 766	7 522
XVII. Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
XVIII. Book value per share (in PLN/EUR)	33.58	33.78	7.53	8.43
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	14.99	18.93	14.99	18.93
XXI. Profit (loss) per ordinary share (in PLN/EUR)	1.96	1.87	0.46	0.50
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				
XXIII. Declared or paid-out dividend per ordinary share (in PLN/EUR)	2.00		0.46	

BALANCE-SHEET (PLN'000)	30.06.2003 end of the quarter (current year)	31.03.2003 end of the prior quarter (current year)	30.06.2002 end of the quarter (previous year)	31.03.2002 end of the prior quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	166 463	175 503	159 868	134 376
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	743 111	881 516	872 367	682 714
1. A'vista	351 881	461 516	209 582	130 219
2. Term	391 230	420 000	662 785	552 495
IV. Due from customers	2 614 404	2 388 022	2 358 579	2 286 839
1. A'vista	490 387	478 494	454 677	476 481
2. Term	2 124 017	1 909 528	1 903 902	1 810 358
V. Due from budget sector	4	1 181		7
1. A'vista				7
2. Term	4	1 181		
VI. Securities purchased under resale agreements				
VII. Debt securities	397 683	415 262	598 825	643 779
VIII. Shares and investments in subsidiaries	57 061	6 653	8 561	9 242
IX. Shares and investments in sister companies				
X. Shares and investments in associated entities				
XI. Minority investments	50	49	45	40
XII. Other securities and other financial assets			1 317	43 474
XIII. Intangible fixed assets, incl. - goodwill	14 556	13 107	16 404	17 139

XIV. Tangible fixed assets	55 128	58 478	68 471	70 210
XV. Other assets	71 010	28 754	29 951	35 106
1. Seized assets for sale				
2. Others	71 010	28 754	29 951	35 106
XVI. Prepayments and accrued income	41 611	43 069	46 048	44 824
1. Deferred income tax	35 356	36 813	36 071	33 138
2. Other prepayments and accrued income	6 255	6 256	9 977	11 686
Total assets	4 161 081	4 011 594	4 160 436	3 967 750

LIABILITIES				
I. Due to the Central Bank				
II. Due to other financial institutions	1 242 870	1 138 671	1 113 067	858 249
1. A`vista	435 470	281 926	128 620	137 759
2. Term	807 400	856 745	984 447	720 490
III. Due to customers	2 105 766	2 100 380	2 343 310	2 419 024
1. Savings:	313 030	314 617	293 318	260 118
a) A`vista	313 030	314 617	293 318	260 118
b) Term				
2. Others:	1 792 736	1 785 763	2 049 992	2 158 906
a) A`vista	603 884	527 763	489 544	441 736
b) Term	1 188 852	1 258 000	1 560 448	1 717 170
IV. Due to budget sector	26 338	34 925	29 269	26 034
a) A`vista	6 389	5 589	5 526	3 939
b) Term	19 949	29 336	23 743	22 095
V. Securities sold under repurchase agreements				
VI. Debt securities issued				
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments	5 592	1 401		379
VIII. Special funds and other liabilities	162 805	105 547	68 893	77 988
IX. Accruals and deferred income	103 486	95 346	79 148	72 266
1. Settlement of accrued expenses	10 491	9 694	8 632	8 112
2. Negative goodwill				
3. Other accruals and deferred income	92 995	85 652	70 516	64 154
X. Provisions	7 932	8 966	17 474	17 367
1. Income tax liability	7 453	7 438	16 165	16 388
2. Other provisions	479	1 528	1 309	979
a. Short-term				
b. Long-term	479	1 528	1 309	979
XI. Subordinated debt				
XII. Share capital	30 155	30 155	30 155	30 155
XIII. Unpaid contribution to share capital (negative value)				
XIV. Own shares (negative value)				
XV. Reserve capital	349 528	352 244	352 220	352 220
XVI. Revaluation reserve	1 564	1 697	4 025	4 025
XVII. Other reserve capital	97 281	96 062	96 062	96 062
XVIII. Undistributed profit (uncovered loss) from prior years	10 521	39 180	7 805	7 805
XIX. Net profit (loss)	17 243	7 020	19 008	6 176
Total liabilities	4 161 081	4 011 594	4 160 436	3 967 750

Capital Adequacy Ratio	14.99	19.64	18.93	19.60
------------------------	-------	-------	-------	-------

Net book value	506 292	526 358	509 275	496 443
Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	33.58	34.91	33.78	32.93

Expected number of shares				
Diluted book value per share (in PLN)				

OFF - BALANCE SHEET ITEMS	30.06.2003 end of the quarter (current year)	31.03.2003 end of the prior quarter (current year)	30.06.2002 end of the quarter (previous year)	31.03.2002 end of the prior quarter (previous year)
I. Contingent liabilities and assets:	1 416 780	1 368 998	1 481 122	1 472 958
1. Contingent liabilities granted:	996 750	1 003 900	860 015	845 211
a) lending commitments	865 768	846 351	720 638	707 891
b) guarantees	130 982	157 549	139 377	137 320
2. Contingent assets received:	420 030	365 098	621 107	627 747
a) lending commitments	298 222	241 075	559 055	549 347
b) guarantees	121 808	124 023	62 052	78 400
II. Commitments resulting from sale/purchase transactions	2 866 009	2 580 645	3 693 234	3 490 608
III. Others, including:	55 262		40 255	
- liabilities due to FX deposit transactions	55 262		40 255	
TOTAL	4 338 051	3 949 643	5 214 611	4 963 566

PROFIT AND LOSS STATEMENT	2nd quarter (current year) from April 1, 2003 to June 30, 2003	2nd quarters YTD from Jan. 1, 2003 to June 30, 2003	2nd quarter (previous year) from April 1, 2002 to June 30, 2002	2nd quarters YTD from Jan. 1, 2002 to June 30, 2002
I. Interest income	52 602	108 280	81 645	165 207
II. Interest expense	24 419	51 518	48 758	101 133
III. Net interest income(I-II)	28 183	56 762	32 887	64 074
IV. Fee and commission income	19 311	36 888	17 716	36 097
V. Fee and commission expense	3 236	5 802	3 142	5 290
VI. Net fee and commission income (IV-V)	16 075	31 086	14 574	30 807
VII. Income on shares, securities and other financial instruments with variable yield			4 060	1 405
1. From subsidiaries				
2. From sister companies				
3. From associated entities				
4. From other entities			4 060	1 405
VIII. Net result on financial transactions	360	588	9 373	13 311
IX. Net result on FX differences	10 994	21 413	14 021	29 431
X. Result on banking activity	55 612	109 849	74 915	139 028
XI. Other operating income	1 691	3 160	1 043	3 073
XII. Other operating expenses	760	2 668	1 799	2 314
XIII. General expenses	35 831	69 383	35 778	70 170
XIV. Depreciation of tangible&intangible fixed assets	6 592	13 756	6 692	13 766
XV. Charges to provisions and revaluation	23 374	33 981	19 192	37 915
1. Specific provisions and general risk reserve	23 374	33 981	19 192	37 915
2. Revaluation of financial assets				
XVI. Release of provisions and other decreases in respect of revaluation	20 118	28 067	5 360	10 771
1. Release of specific provisions and general risk reserve	20 118	28 067	5 360	10 771
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(3 256)	(5 914)	(13 832)	(27 144)
XVIII. Operating profit	10 864	21 288	17 857	28 707
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				
2. Extraordinary losses				
XX. Profit (loss) before taxation	10 864	21 288	17 857	28 707
XXI. Corporate income tax	939	4 402	4 344	8 064
1. current	(472)	3 726	7 499	12 939
2. deferred	1 411	676	(3 155)	(4 875)
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	298	357	(681)	(1 635)
XXIV. Net profit (loss)	10 223	17 243	12 832	19 008
Net profit (loss) (for 12 months)	29 610		28 173	
Weighted average number of ordinary shares	15 077 700		15 077 700	
Net profit (loss) per ordinary share (in PLN)	1.96		1.87	
Weighted average of estimated number of ordinary shares				
Diluted net profit (loss) per ordinary share (in PLN)				

MOVEMENTS IN OWN EQUITY	2nd quarter (current year)	2nd quarters YTD	2nd quarter (previous year)	2 nd quarters YTD
	from April 1, 2003 to June 30, 2003	from Jan. 1, 2003 to June 30, 2003	from April 1, 2002 to June 30, 2002	from Jan. 1, 2002 to June 30, 2002
1. Opening balance of own equity	526 358	519 652	490 267	489 503
a) Changes in adopted accounting principles (policy)				764
b) Correction of material errors				
1.a. Opening balance of own equity after reclassification to confirm with current year presentation	526 358	519 652	490 267	490 267
1. Opening balance of share capital	30 155	30 155	30 155	30 155
1.1. Movements in share capital				
a) increases (in respect of)				
- issue of shares				
b) decreases (in respect of)				
- redemption of shares				
1.2. Closing balance of share capital	30 155	30 155	30 155	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	352 244	352 244	352 220	352 220
4.1. Movements in reserve capital	(2 716)	(2 716)		
a) increases (in respect of)				
- issuance of shares above their par value				
- profit distribution (mandatory)				
- distribution of profit (voluntary)				
- sale and liquidation of fixed assets				
b) decreases (in respect of)	(2 716)	(2 716)		
- sale and liquidation of fixed assets				
- covering financial effects of the amendments to the Accounting Act	(2 716)	(2 716)		
4.2. Closing balance of reserve capital	349 528	349 528	352 220	352 220
5. Opening balance of revaluation reserve	1 697	2 011	4 025	4 025
5.1. Movements in revaluation reserve	(133)	(447)		
a) increases (in respect of)	420	482		
- valuation of securities available for sale	420	482		
b) decreases (in respect of)	(553)	(929)		
- sale of fixed assets				
- liquidation of fixed assets				
- valuation of securities available for sale	(553)	(929)		
5.2. Closing balance of revaluation reserve	1 564	1 564	4 025	4 025
6. Opening balance of General Risk Fund	79 044	79 044	79 044	79 044
6.1. Movements in General Risk Fund	1 219	1 219		
a) increases (in respect of)	1 219	1 219		
- profit distribution	1 219	1 219		
b) decreases (in respect of)				
6.2. Closing balance of General Risk Fund	80 263	80 263	79 044	79 044
7. Opening balance of other reserve capital	17 018	17 018	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	17 018	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year				
	39 180	39 180	7 805	7 805
8.1. Opening balance of undistributed profit from prior years	41 896	41 896	10 521	10 521
a) changes in adopted accounting principles (policy)				
b) corrections of material errors				
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation	41 896	41 896	10 521	10 521

8.3. Movements in undistributed profit from prior years	(31 375)	(31 375)		
a) increases (in respect of)				
- profit distribution				
b) decreases (in respect of)	(31 375)	(31 375)		
- profit distribution	(31 375)	(31 375)		
8.4. Closing balance of undistributed profit from prior years	10 521	10 521	10 521	10 521
8.5. Opening balance of uncovered loss from prior years	(2 716)	(2 716)	(2 716)	(2 716)
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	(2 716)	(2 716)	(2 716)	(2 716)
8.7. Movements in uncovered loss from prior years	2 716	2 716		
a) increases (in respect of)				
- loss for covering				
b) decreases (in respect of)	2 716	2 716		
8.8. Closing balance of uncovered loss from prior years			(2 716)	(2 716)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	10 521	10 521	7 805	7 805
9. Net income	10 223	17 243	12 832	19 008
a) net profit	10 223	17 243	12 832	19 008
b) net loss				
II. Closing balance of own equity	499 272	506 292	503 099	509 275
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	499 272	506 292	503 099	509 275

CASH FLOW STATEMENT	2nd quarter (current year)	2nd quarters YTD	2nd quarter (previous year)	2 nd quarters YTD
	from April 1, 2003 to June 30, 2003	from Jan. 1, 2003 to June 30, 2003	from April 1, 2002 to June 30, 2002	from Jan. 1, 2002 to June 30, 2002
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method	(113 705)	(150 255)	(1 783)	(153 443)
I. Net profit (loss)	10 223	17 243	12 832	19 008
II. Adjustments for:	(123 928)	(167 498)	(14 615)	(172 451)
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	(298)	(357)	681	1 635
2. Depreciation	6 592	13 756	6 692	13 766
3. Foreign exchange gains/(losses)	5 691	62 165	71 006	71 006
4. Interest and dividends received and paid	4 247	2 631		(625)
5. Profit (loss) on investments	(6 019)	(10 173)	(23 480)	(23 699)
6. Change in other reserves	(4 397)	(13 677)	(141)	(178)
7. Change in debt securities held	(89 202)	11 099	(10 586)	(14 119)
8. Change in amounts due from financial sector	28 770	(137 236)	(110 290)	(19 731)
9. Change in amounts due from customers and budget sector	(221 974)	(430 750)	(71 733)	(244 838)
10. Change in securities purchased under resale agreements				
11. Change in shares, securities and other financial instruments with variable yield	(5)	3 411	11 099	11 356
12. Change in amounts due to financial sector	153 133	465 011	184 460	130 471
13. Change in amounts due to customers and budget sector	(3 201)	(175 098)	(72 479)	(132 526)
14. Change in securities sold under repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	27 986	70 929	(7 252)	(32 948)
17. Change in interperiod settlements	2 277	3 897	(645)	(3 173)
18. Change in deferred income	7 343	15 700	6 362	13 943
19. Other items	(34 871)	(48 806)	1 691	57 209
III. Net cash flow from operating activity (I +/- II)	(113 705)	(150 255)	(1 783)	(153 443)
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows from investing activity	1 249 133	2 060 609	275 247	711 134
1. Sale of shares in subsidiaries			70 230	70 230
2. Sale of shares in sister companies				
3. Sale of shares in associated entities				
4. Sale of other shares, securities and financial assets	1 245 291	2 042 846	205 579	634 743
5. Sale of tangible and intangible fixed assets	494	577	112	243
6. Sale of investments in real estates and intangible assets				
7. Other inflows	3 348	17 186	(674)	5 918
II. Cash outflows from investing activity	(1 191 855)	(1 831 428)	(167 942)	(944 334)
1. Purchase of shares in subsidiaries	(50 000)	(50 000)		
2. Purchase of shares in sister companies				
3. Purchase of shares in associates				

4. Purchase of other shares, securities and financial assets	(1 136 752)	(1 775 795)	(163 470)	(936 947)
5. Purchase of tangible and intangible fixed assets	(5 103)	(5 619)	(4 472)	(7 387)
6. Investments in real estates and intangible assets				
7. Other outflows		(14)		
III. Net cash flow from investing activity (I +/- II)	57 278	229 181	107 305	(233 200)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows from financial activity	7 540	17 913	18 525	18 525
1. Long-term loans from other banks	7 540	17 913	18 525	18 525
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				
6. Other inflows				
II. Cash outflows from financial activity	(69 788)	(69 801)	(19 192)	(19 192)
1. Repayment of long-term loans contracted from other banks			(19 179)	(19 179)
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	(69 788)	(69 801)	(13)	(13)
III. Net cash flow from financial activity (I +/- II)	(62 248)	(51 888)	(667)	(667)
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	(118 675)	27 038	104 855	(387 310)
E. CHANGE IN CASH IN BALANCE-SHEET	(118 675)	27 038	104 855	(387 310)
- including changes in cash arising from exchange rate differences	(1 835)	4 499	2 659	4 349
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	637 019	491 306	264 595	756 760
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	518 344	518 344	369 450	369 450
- including cash with restricted option of use				