



Annual Report 2002

ABN AMRO Bank (Luxembourg) S.A.



Contents

Board of Directors & Management	2
Management Report	5
Auditor's Report	9
Balance Sheet	10
Profit and Loss Account	12
Notes on the Annual Accounts	13
Key Figures	36

Management (from left to right)

Serge H Behm Administration Manager

Robert Theissen Chief Financial Officer

Andreas Economides Risk Manager

Guy Dratwicki Operations Manager

Janneke Nijsen Private Clients Manager

Peter H M Aelbers Country Representative

Viviane Harnois Human Resources Manager

Jean-Marc Lahaye Country Representative Wholesale Clients

Christiane Faltz Legal & Compliance Manager

Jérôme Péraud Country Administrative Officer



Board of Directors

Reinout F van Lennep
Chairman
Managing Director International Private Clients

Peter H M Aelbers
Managing Director and Country Representative
ABN AMRO Bank (Luxembourg) S.A.

Gerard Donlin
Director, Global Head of Information Technology
ABN AMRO Asset Management

Jean-Louis Milin
Member of the Managing Board
ABN AMRO France S.A.

Managing Board

Peter H M Aelbers
Chairman

Jérôme Péraud
Member

Serge H Behm
Member

Hans Diederer
Member

Robert Theissen
Member, as of March 2003

Jean-Claude Thoma
Member

External Auditors

Ernst & Young S.A.
Luxembourg

Main Executives

Private Clients
Janneke Nijsen
Manager

Country Administrative Officer
Jérôme Péraud
Member of Managing Board

Life Insurance
Antoine Baronnet
Manager

Wholesale Clients
Hans Diederer
Member of Managing Board

Jean-Marc Lahaye
Manager, as of May 2003

Financial Markets
Craig Ferreira
Manager

Daily Advisory Desk & Securities Dealing
Chris van den Ameele

Administration
Serge Behm
Member of Managing Board

Finance
Robert Theissen
Member of Managing Board, as of March 2003

Operational Risk
Andreas Economides
Manager, as of November 2002

Human Resources
Viviane Harnois
Manager

Operations
Guy Dratwicki
Manager

Audit
Graham Burr

Legal & Compliance
Christiane Faltz
Manager



Management Report 2002

> Major Developments in 2002

In 2002, difficult conditions continued to prevail on the world markets. However, our Bank managed to perform relatively well in its three main business lines: Private Clients, Corporate Clients and Institutional Clients.

As at 31.12.2002, our profit before taxes and exceptional value adjustment amounted to EUR 29 million, an increase of 30% as compared to 2001 (EUR 22.3 million).

A strategic decision to sell a long term participation resulted in an exceptional value adjustment of EUR 24.1 million, significantly affecting our net profit for 2002 which amounted to EUR 4.8 million.

As announced a year ago, the Bank conducted in 2002 the implementation of a new back end system that successfully went live early July 2002.

Since implementation, continuous fine tuning of the system especially focusing on our Customer reporting, Information Technology, Operational processes and Risk Management took place and started showing the expected benefits.

Our investment in Technology also sets the stage for meeting the upcoming challenges of market and regulatory changes at European level.

This important step for the Bank should also further position it to act as a processing centre for other booking centres of the Group outside Luxembourg.

Also in 2002, the Bank implemented a new Management Information system. This data warehouse, accessible through intranet, can provide detailed information on revenues and costs either via direct access, or by providing standard and/or specific reports.

Our General Administrative expenses totalled EUR 31.5 million as compared to EUR 30 million in 2001.

This was prompted by a significant investment in both Information Technology and Human Resources. Despite these investments, overall Operational expenses were effectively managed resulting in an improved efficiency ratio of 55.6% for 2002 as compared to 59% in 2001.

No important events have occurred since the end of 2002.

Furthermore, and during the year 2002, the Bank had no activities in the field of research & development and did not acquire its own shares.

> Report of the Managing Board

Risk Management

Following the announcement in the 2001 report, we have in the course of 2002 set up the dedicated Risk Management function. This step was taken in order to cover the growing complexity of banking operations in general along with the changes we face in our working environment due to new regulations and ultimately to better serve our customers.

A new Risk Manager has been appointed to the Risk

Management Department, which now includes Credit and Operational Risk Management, Internal Control and IT Security.

Throughout 2002, the Bank continued to further develop tools enhancing risk measurement, control and monitoring which objectives, strategy and policies are further developed under the Risk Management caption of the Notes to the Accounts.

> Report of the Managing Board (continued)

Balance Sheet

Total assets as at December 31, 2002 amounted to EUR 6.4 billion, up 23% from the EUR 5.2 billion reported at end of December 2001.

This increase mainly resulted from higher intra group placements as well as deposits from customers.

Despite adverse market conditions, total customer assets, comprising customer deposits, custody assets including investment funds and fiduciary operations remained relatively

stable at EUR 14.7 billion as compared to 2001 (EUR 15.6 billion). This was the result of a good product mix ensuring diversified and steady revenue streams for our customers.

Total customer deposits rose by 4% to EUR 3.7 billion.

The Bank's share capital remained unchanged at EUR 372 million.

The BIS ratio stood at 32.46% on December 31st, 2002.

Profit & Loss Account

Total income rose by 14% to EUR 66.3 million exceeding prior years' performance.

Outlook for 2003

Hans Diederer, who joined the Bank in 2002 as a member of the Managing Board, after having worked for ABN AMRO in various countries, left the Bank to take over responsibilities for another booking centre for Private Clients.

Jean-Claude Thoma, former member of the Managing Board, has left the Bank after eight years of contributing to our institution. In his last position Mr Thoma was Finance Manager.

Robert Theissen has joined the Bank in March 2003 as Financial Officer and member of the Managing Board.

In 2003, the focus will be on further developing our assets and

customers base. To do so, special attention will be paid to customer segmentation, products and services.

Within Operations, we will start a Business Process Enhancement project with the objective of raising quality and efficiency as well as further improving our key controls.

A Risk-Self-Assessment (RSA) cycle will be performed enabling Line Managers to assess risks in terms of likelihood and impact, to implement and to monitor Key Operational Risk Controls in order to mitigate such factors.

After having implemented in 2002 a back up Center in a remote location, the Bank will finalize its Business Continuity Plan.



> ABN AMRO Life S.A.

ABN AMRO Life S.A., the Group's life insurance company in which ABN AMRO Bank (Luxembourg) S.A. holds a 99.9% participating interest managed to keep its production level and its profitability at a good level despite the continuing general drop in financial markets all over the world.

In the year under review, total assets decreased by 9.15% from EUR 874 million to EUR 794 million due to general market prices fall.

Premium income remained stable amounting to EUR 130.3 million compared to EUR 130.7 million in 2001.

The combination of sales efforts and tight expenses control resulted in an operating profit of EUR 2,734,000 for the year, which represents an increase of 30.62% compared with previous year (EUR 2,093,000). Net profit for the year 2002 amounted to EUR 1,441,000 against EUR 1,103,342 shown in 2001.

> ABN AMRO Trust Company (Luxembourg) S.A.

During the year 2002, ABN AMRO Trust Company (Luxembourg) S.A. continued to focus its business activities on the corporate client segment with a strong emphasis on the US market.

Providing expert advice, guidance and company management services to International Corporate Clients who use Luxembourg as a base for their international Holding and Finance activities remains the core activity of the ABN AMRO Trust Company.

Despite the further deterioration of financial markets, ABN AMRO Trust Company (Luxembourg) S.A. was successful in booking profits that were very much in line with the earlier expectations.

Management is confident that the decision to open a Commercial Sales office for North America (NY) in the first half of 2003 will contribute to a further expansion of the customer base whilst it is expected that the recent implementation of an Electronic Document Management System will further increase efficiency.

> ABN AMRO Investment Funds S.A. and subsidiaries

After a cautiously optimistic start to 2002 in which the ABN AMRO Funds were able to gain net new sales, global equity markets turned sharply down for the third year running. As a result of this, funds under administration of the ABN AMRO Group's Luxembourg-based funds fell 25% to EUR 5.5 billion on a year basis.

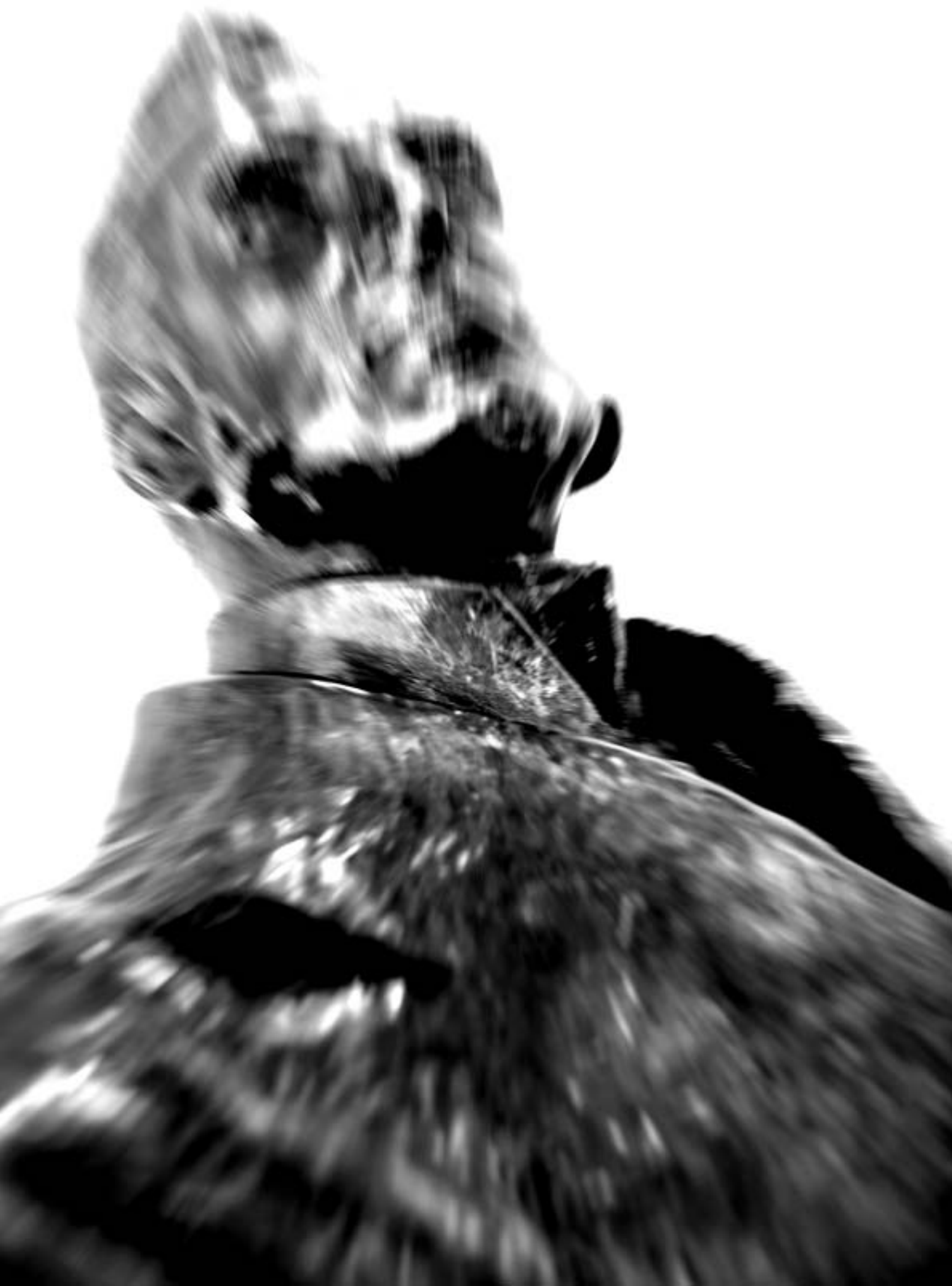
Against this background, there was some streamlining of the ABN AMRO Funds range in September 2002. Five funds and share classes were merged into other funds and share classes. However, the Company continued to invest in the future by launching thirteen new products, as a result of which there are now 105 funds and share classes under administration in Luxembourg. Six new sub-funds were launched in the ABN

AMRO Multi-Manager SICAV, which will be able to benefit from a European passport from 2004, while the flagship ABN AMRO Funds range was widened to include seven new funds and share classes. These comprise a High Yield Bond Fund hedged to the US Dollar, a Global and a US Value Equity Fund, the Global Leader Fund of ABN AMRO Asset Management analyst's best picks, and new share classes for the Euro Bond, Global Property and Pharma Funds.

The beginning of 2003 has seen a continuation of the tumbling equity markets experienced in 2002. However, on a more positive note, sales of the ABN AMRO Funds have continued to be positive in January and February 2003 and the range is well-positioned for any upturn in the market.

> Lease Plan Luxembourg S.A.

The ABN AMRO Lease Holding's car leasing subsidiary reported another successful year. Its leasing portfolio increased by 12% to EUR 47.7 million.



Auditor's Report

To the Board of Directors
ABN AMRO Bank (Luxembourg) S.A.
Société Anonyme
Luxembourg

Following our appointment by the Board of Directors on March 26, 2002, we have audited the accompanying annual accounts of ABN AMRO Bank (Luxembourg) S.A. for the year ended December 31, 2002, and have read the related management report. These annual accounts and the management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit and to check that the management report is consistent with the annual accounts.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached annual accounts give, in conformity with the Luxembourg legal and regulatory requirements, a true and fair view of the financial position of ABN AMRO Bank (Luxembourg) S.A. as at December 31, 2002 and of the results of its operations for the year then ended.

The management report is consistent with the annual accounts.

ERNST & YOUNG
Société Anonyme
Réviseur d'entreprises
Daniel MEIS

Luxembourg, March 19, 2003

Balance Sheet

As at December 31, 2002 (expressed in EUR)

> Assets		2002	2001
Cash, balances with central banks and post office banks	<i>(Note 25)</i>	48,879,795	135,659,504
Loans and advances to credit institutions	<i>(Notes 23 and 25)</i>	3,777,999,126	2,796,310,935
a) repayable on demand		2,419,651,279	2,249,256,637
b) other loans and advances	<i>(Note 3)</i>	1,358,347,847	547,054,298
Loans and advances to customers	<i>(Notes 3, 23 and 25)</i>	1,166,719,548	864,361,554
Debt securities and other fixed-income securities	<i>(Notes 4, 8 and 25)</i>	400,257,509	405,463,127
a) issued by public bodies		100,775,506	106,109,266
b) other securities		299,482,003	299,353,861
Shares and other variable-yield securities	<i>(Notes 5 and 25)</i>	749,845,497	756,664,203
Participating interests	<i>(Notes 6 and 8)</i>	127,673,079	151,752,706
Shares in affiliated undertakings	<i>(Notes 7 and 8)</i>	12,117,535	12,112,889
Tangible assets	<i>(Note 8)</i>	33,181,781	32,521,488
Other assets		–	861,579
Prepayments and accrued income	<i>(Note 9)</i>	52,879,088	46,104,635
		6,369,552,958	5,201,812,620

The notes are an integral part of the annual accounts.

> Liabilities	2002	2001
Amounts owed to credit institutions <i>(Notes 23 and 25)</i>	1,192,774,052	874,346,316
a) repayable on demand	56,906,989	52,964,800
b) with agreed maturity dates or periods of notice <i>(Note 3)</i>	1,135,867,063	821,381,516
Amounts owed to customers <i>(Notes 23 and 25)</i>	3,732,328,727	3,598,284,312
other debts		
- repayable on demand	2,720,266,603	2,454,307,084
- with agreed maturity dates or periods of notice <i>(Note 3)</i>	1,012,062,124	1,143,977,228
Debts evidenced by certificates <i>(Notes 3, 23 and 25)</i>	893,034,300	170,203,109
Other liabilities	1,587,613	1,806,461
Accruals and deferred income <i>(Note 10)</i>	84,009,746	81,976,644
Provisions for liabilities and charges <i>(Note 11)</i>	22,310,318	21,325,908
a) provisions for taxation	13,139,344	14,028,044
b) other provisions	9,170,974	7,297,864
Subordinated liabilities <i>(Notes 14 and 25)</i>	15,882,308	15,882,308
Special items with a reserve quota portion <i>(Note 15)</i>	9,945,000	9,100,274
Subscribed capital <i>(Note 16)</i>	372,000,000	372,000,000
Reserves <i>(Note 17)</i>	40,800,000	38,400,000
Profit brought forward	87,288	91,875
Profit for the financial year <i>(Note 22)</i>	4,793,606	18,395,413
	6,369,552,958	5,201,812,620

> Off Balance Sheet	2002	2001
Contingent liabilities <i>(Notes 18, 23 and 25)</i>	232,650,244	250,851,187
of which:		
- guarantees and assets pledged as collateral security	232,650,244	250,851,187
Commitments <i>(Notes 18, 23 and 25)</i>	975,644,623	377,963,081
Fiduciary transactions	101,102,393	87,644,861

Profit and Loss Account

As at December 31, 2002 (expressed in EUR)

	2002	2001
Interest receivable and similar income	259,917,135	225,235,502
of which: arising from debt securities and other fixed-income securities	16,674,521	17,910,699
Interest payable and similar charges	(239,818,358)	(227,550,705)
Income from securities <i>(Note 19)</i>	18,781,987	27,989,127
a) income from shares and other variable-yield securities	12,331,087	12,138,608
b) income from participating interests	6,450,900	5,850,519
c) income from shares in affiliated undertakings	–	10,000,000
Commission receivable	36,653,760	29,887,938
Commission payable	(12,708,268)	(5,157,429)
Net profit on financial operations	3,024,056	6,954,633
Other operating income <i>(Note 20)</i>	443,548	504,988
General administrative expenses	(31,496,764)	(30,033,333)
a) staff costs	(18,699,840)	(16,607,413)
of which: - wages and salaries	(15,423,971)	(13,678,016)
- social security costs	(2,253,772)	(2,158,071)
of which: relating to pensions	(1,022,097)	(720,391)
b) other administrative expenses	(12,796,924)	(13,425,920)
Value adjustments in respect of tangible and intangible assets	(3,273,439)	(3,350,335)
Other operating charges <i>(Note 20)</i>	(2,172,937)	(750,000)
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	(645,447)	(1,981,645)
Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	365,292	374,361
Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings <i>(Note 6)</i>	(24,097,260)	–
Transfers to “Special items with a reserve quota portion”	(1,030,604)	–
Transfers from “Special items with a reserve quota portion”	185,878	185,878
Tax on profit on ordinary activities	–	(3,893,000)
Profit on ordinary activities after tax	4,128,579	18,415,980
Extraordinary income	876,182	268,165
Extraordinary charges	–	(73,051)
Extraordinary profit <i>(Note 21)</i>	876,182	195,114
Other taxes not shown under the preceding items	(211,155)	(215,681)
Profit for the financial year <i>(Note 22)</i>	4,793,606	18,395,413

The notes are an integral part of the annual accounts.

Notes to the Accounts December 31, 2002

> Note 1 - General

ABN AMRO Bank (Luxembourg) S.A. ("the Bank") is incorporated in Luxembourg as a "société anonyme" and is authorised under Luxembourg law to conduct all banking operations.

The Bank is a subsidiary of ABN AMRO Bank N.V. whose head office is at Gustav Mahlerlaan 10, NL-1082 PP Amsterdam. The consolidated accounts of ABN AMRO Bank N.V. are available at its head office. The company in which the Bank is ultimately consolidated is ABN AMRO Holding N.V. whose consolidated accounts are available at its head office at the same above address.

The Bank is exempt from the requirement to publish consolidated accounts and a consolidated management report.

> Note 2 - Summary of Significant Accounting Policies

The annual accounts of the Bank are prepared in conformity with the Luxembourg legal and regulatory requirements.

The significant accounting policies are as follows:

Currency translation

The annual accounts are expressed in Euro.

For the presentation of the annual accounts, assets, liabilities and off balance sheet items denominated in foreign currencies are translated into Euro at the spot rates of exchange applicable on the balance sheet date. Exchange differences arising on translation are recorded as a currency gain or loss in the profit and loss account.

Forward exchange contracts are valued at the rates applicable for the remaining term to maturity at the balance sheet date.

Income and charges denominated in currencies other than Euro are recorded in their respective currencies and translated daily at the prevailing exchange rates.

Term of assets and liabilities

Assets and liabilities described as repayable on demand comprise amounts which can be drawn without notice or for which a notice of 24 hours or one working day has been agreed. The expression "with agreed maturity dates" in the various captions refers to a final maturity in excess of one working day, including periods of notice exceeding one working day. Assets and liabilities are always classified on the basis of their remaining term as at the balance sheet date.

Transferable securities

Securities are recorded in the balance sheet at their acquisition cost. At the balance sheet date they are valued according to the specific rules applicable to each portfolio category.

a) Securities held as financial fixed assets

Securities held as financial fixed assets are intended to be held on a long-term basis. They are valued at cost or market price, whichever is lower. The premium (calculated as the excess of the acquisition price of these securities over their value at maturity) is amortised in the year in which the securities are acquired when permitted by the Luxembourg regulatory requirements or the premium is amortised over the remaining term to maturity. Any discount on acquisition is taken to income on maturity.

The Bank maintains a position in shares at acquisition cost as a repurchase agreement with a put option has been concluded.

b) Trading portfolio

The trading portfolio comprises unsettled securities transactions carried out on behalf of customers. They are valued at cost or market value, whichever is lower.

c) Structural portfolio

Securities in the structural portfolio are valued at cost or market value, whichever is lower.

A non quoted debt securities position covered by a put option is maintained at acquisition cost.

For all transferable securities, unrealised gains are not taken into account. Provisions are maintained as long as the security concerned is held in the portfolio ("Beibehaltungsprinzip").

> Note 2 - Summary of Significant Accounting Policies (continued)

Participating interest and shares in affiliated undertakings

These are maintained at their acquisition cost unless a permanent decline in their value has been recognised, in which case a value adjustment is recorded.

Furniture, equipment, software and other fixed assets

These are depreciated over the remaining useful life of the asset.

The costs of maintenance and repairs are charged to operating expenses as incurred.

Provisions and value adjustments

Specific provisions (value adjustments) established on individual loans and sovereign risk of which the recoverability is considered uncertain by the Bank are presented as a reduction in the value of these assets. They are recorded in the currency of the assets to which they relate.

The general provision for risks established on the basis offered by Luxembourg tax and banking legislation is recorded in the reporting currency. The provision relating to assets is presented as a reduction in the value of the assets upon which the calculation of the provision is based. The provision relating to other items are reported under the item "Provisions for liabilities and charges".

Provisions for risks and charges may also be established, denominated in the same currency as the related risks and charges. They are intended to cover losses which are certain or likely to be incurred and are clearly defined in nature, but of which, at the balance sheet date, the amount involved or the date on which they will arise are still uncertain.

Taxes

Taxes are charged to the profit and loss account on an accrual basis and not in the year in which payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessment has been issued by the tax authorities.

Financial instruments

Valuation of treasury swaps

The revaluation of these transactions does not affect the result for the financial year.

Premiums and discounts are recorded as accrued expenses and income respectively in the balance sheet and as interest in the profit and loss account.

The amounts recorded represent the accrued amortisation from the trade date of the swap to balance sheet date.

Valuation of forward exchange transactions (outrights)

Only unrealised losses on outright are provided for and recorded in the item "Provision for liabilities and charges".

The calculation of the unrealised gains or losses is based on the forward rate of exchange for each currency applied to all outright with the same maturity date.

Valuation of IRS (Interest Rate Swaps) - hedging

Interest receivable and payable are recorded as accrued income and expenses in the balance sheet.

Valuation of Stock options

The imparity principle is applied; unrealised gains are not accounted for, whereas unrealised losses are taken into account.

Valuation of futures

The imparity principle is applied; unrealised gains are not accounted for, whereas unrealised losses are taken into account.

> Note 3 - Remaining term of Loans and Debts

As at December 31, 2002 the remaining term of loans and debts was as follows:

EUR millions	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Loans and advances to credit institutions	1,315	29	13	1	1,358
Loans and advances to customers	816	168	183	–	1,167
Amounts owed to credit institutions	668	7	6	455	1,136
Amounts owed to customers	612	51	347	2	1,012
Debts evidenced by certificates	750	–	143	–	893

Loans and advances to customers include amounts due on demand. The other captions do not include amounts due on demand. Debts evidenced by certificates to be repaid within one year amount to EUR 750 million (2001: EUR 0).

> Note 4 - Debt Securities and other Fixed-Income Securities

As at year end the portfolio of debt securities and other fixed-income securities comprised:

EUR	2002	2001
Debt securities and other fixed-income securities held as financial fixed assets	100,775,506	104,413,899
Debt securities and other fixed-income securities held in the structural portfolio	299,482,003	301,049,228
	400,257,509	405,463,127

The cumulative amortisation of premiums on these securities amounts to EUR 11,779,423 (2001: EUR 11,833,118) and is recorded under "Accruals and deferred income" (see Note 10).

On these securities the Bank maintains a value adjustment ("Beibehaltungsprinzip") of EUR 1,058,199 (2001: EUR 1,058,199).

Securities to be repaid within one year amount to EUR 6,396,863 (2001: EUR 5,377,209).

Debt securities and other financial income securities held at December 31, 2002 and quoted on an official Stock Exchange amount to EUR 100,775,506 (2001: EUR 106,109,488).

> Note 5 - Shares and other Variable-Yield Securities

EUR	2002	2001
Quoted on an official Stock Exchange	664,309,953	664,039,187
Unquoted variable-yield securities	85,535,544	92,625,016
	749,845,497	756,664,203

> Note 6 - Participating Interests

EUR	2002	2001
Quoted on an official Stock Exchange	127,666,566	151,745,996
Unquoted	6,513	6,710
	127,673,079	151,752,706

The amount of participating interests in other credit institutions amounts to EUR 127,666,566 as at December 31, 2002 (2001: EUR 151,745,996).

As at December 31, 2002, the Bank has accounted for a value adjustment of EUR 24,097,260 to recognise the loss realised on the sale of a participating interest in a credit institution in January 2003 (see Note 18).

> Note 7 - Shares in Affiliated Undertakings

As at December 31, 2002 shares in affiliated undertakings where the Bank holds at least 20% were as follows:

Company	Registered office	% held	Own funds as at 31.12.2001 EUR	of which net income as at 31.12.2001 EUR
ABN AMRO Investment Funds S.A.	Luxembourg	99.82	8,542,054	3,391,892
ABN AMRO Life S.A.	Luxembourg	100.00	12,156,561	1,003,342
Employee Benefit International Consulting and Administration S.A.	Luxembourg	30.00	(221,301)	(346,301)
ABN AMRO Profil Funds Management S.A.	Luxembourg	25.00	321,428	68,224

These companies are not quoted on a Stock Exchange.

The audited own funds as at December 31, 2002 for the affiliated undertakings are still unavailable at the date of these annual accounts.

The amount of shares in affiliated undertakings in other credit institutions amounts to EUR 0 as at December 31, 2002 (2001: EUR 0).

> Note 8 - **Movements in Fixed Assets**

EUR thousands					Value adjustments at the balance sheet date				
Items	Gross value at the beginning of the financial year	Additions	Disposals and Transfers	Gross value at the end of the financial year	Cumulative value adjustments at January 1, 2002	Adjustments	Disposals and Transfers	Cumulative value adjustments at the end of the financial year	Net value at the end of the financial year
Participating interests	151,845	–	–	151,845	92	24,097	(17)	24,172	127,673
Shares in affiliated undertakings	12,138	–	–	12,138	25	–	(5)	20	12,118
Debt securities and other fixed income securities	105,701	–	(3,693)	102,008	1,287	–	(55)	1,232	100,776
Tangible assets of which:	42,304	4,258	(7,736)	38,826	9,783	3,273	(7,412)	5,644	33,182
a) Land and buildings (i)	26,651	90	(1,045)	25,696	852	485	(226)	1,111	24,585
b) Plant and machinery	4,410	399	515	5,324	1,692	1,028	5	2,725	2,599
c) Other fixtures and fittings, tools and equipment	11,228	3,769	(7,191)	7,806	7,239	1,760	(7,191)	1,808	5,998
d) Other	15	–	(15)	–	–	–	–	–	–

(i) Land and buildings are used by the Bank and affiliated companies for their own activities.

> Note 9 - Prepayments and Accrued Income

As at December 31, prepayments and accrued income comprise:

EUR	2002	2001
Accrued interest receivable	43,796,953	13,886,846
Income tax advances	94,365	191,037
Currency swaps	6,564	1,527,550
Other	8,981,206	30,499,202
	52,879,088	46,104,635

> Note 10 - Accruals and Deferred Income

As at December 31, accruals and deferred income comprise:

EUR		2002	2001
Premium amortisation	<i>(see Note 4)</i>	11,779,423	11,833,118
Accrued interest payable		56,481,045	49,681,202
Other		15,749,278	20,462,324
		84,009,746	81,976,644

> Note 11 - Provisions for Liabilities and Charges

As at December 31, provisions comprise:

EUR		2002	2001
AGDL	<i>(see Note 13)</i>	5,157,724	3,657,724
Taxes		13,139,344	14,028,044
Provisions for Euro expenses	<i>(see Note 12)</i>	–	251,549
Provisions for banking risks		4,013,250	3,388,591
		22,310,318	21,325,908

> Note 12 - Provisions for Expenses associated with the introduction of the European Single Currency

As permitted under Luxembourg tax legislation, the Bank established a provision, which represented 2% of “General administrative expenses” in 1996, 1997 and 1998, in anticipation of expenses to be incurred in the process of the introduction of the Euro. In 2002, the last quarter of the balance of this provision at December 31, 1998 was taken back into income for the financial year. At December 31, 2002, the balance of the provision amounted to EUR 0 (2001: EUR 251,549).

> Note 13 - The Luxembourg Association for the Guarantee of Deposits

The Bank is a member of the non-profit making organisation “Association pour la Garantie des Dépôts, Luxembourg” (AGDL) which was established on September 25, 1989. The articles of association of the AGDL were revised following a general meeting of shareholders held on December 14, 2000.

The AGDL has as its sole objective the establishment of a mutual system for the guarantee of cash deposits for the benefit of customers of the member credit institutions of the Association and for claims arising from investment transactions in favour of investors with the credit institutions and investment firms which are members of the Association.

The guarantee of cash deposits and of claims arising from investment transactions in favour of customers, individuals and certain companies as defined by the regulations, is limited to a maximum amount fixed at the equivalent value in all currencies of EUR 20,000 per cash deposit and EUR 20,000 per claim arising out of investment transactions.

If the guarantee is called, the annual payment to be made by each member is limited to 5% of shareholders’ equity.

As at December 31, 2002 and 2001, the Bank held a general provision available for potential liabilities under the guarantee. The amount is included on the liabilities side of the balance sheet under “Provisions for liabilities and charges”.

> Note 14 - Subordinated Liabilities

Subordinated debt is governed generally by the following principles:

In the event of liquidation of the credit institution, the claim ranks after those of non-subordinated creditors. Any early redemption or repurchase or any debt substitution are subject to prior authorisation by the Financial Sector Supervisory Commission. The debt is subject to Luxembourg law. The courts in Luxembourg are competent to deal with such matters.

The following loans represent more than 10% of total subordinated liabilities:

Period	Rate	Currency	Initial Nominal Value
27.8.1997 - 27.8.2012	Floating rate	EUR	15,882,308

The total interest and charges paid in 2002 for subordinated debts amount to EUR 575,985 (2001: EUR 741,258).

> Note 15 - Special Items with a Reserve Quota Portion

The amount reported under “Special items with a reserve quota portion” represents gains realised on the disposal of assets and reinvested under the terms of Article 54 LIR of income tax law. As at December 31, 2002, this caption amounts to EUR 9,945,000 (2001: EUR 9,100,274).

> Note 16 - Subscribed Capital

At December 31, 2002 and 2001, the authorised, subscribed and fully paid up capital amounts to EUR 372,000,000 and is comprised of 12,339 shares without par value.

> Note 17 - Reserves

EUR	2002	2001
Legal reserve	5,000,000	4,000,000
Free reserves*	35,800,000	34,400,000
	40,800,000	38,400,000

In accordance with Luxembourg law, companies are required to appropriate to legal reserve a minimum of 5% of net profit until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed during the life of the company.

(*) Including reserves enabling the Bank to deduct wealth tax from taxable income as permitted under Article 174b LIR of the income tax law.

> Note 18 - Contingent Liabilities and Commitments

18.1. Contingent liabilities

Contingent liabilities consist of guarantees issued by the Bank.

18.2. Commitments

At December 31, the Bank was engaged in the following transactions:

EUR	2002	2001
Confirmed credit facilities, not yet drawn down	847,904,023	377,963,081
Other commitments	127,740,600	–
	975,644,623	377,963,081

As at December 31, 2002, other commitments comprise the sale of a participating interest concluded on December 30, 2002 and settled on January 2, 2003 for EUR 127,740,600 (see Note 6).

> Note 19 - Income from Securities

In 2001, the amount received from affiliated undertakings included an interim dividend of EUR 10,000,000 for which the Bank has undertaken full tax liability. In 2002, the Bank did not receive dividends from affiliated undertakings.

> Note 20 - Other Operating Income and other Operating Charges

The other operating income is mainly composed of:

EUR	2002	2001
Release of Euro Provision	251,549	251,549
Other	191,999	253,439
	443,548	504,988

> Note 20 - Other Operating Income and other Operating Charges (continued)

The other operating charges are mainly composed of:

EUR	2002	2001
Provision AGDL	1,500,000	750,000
Provision for liabilities and charges	573,805	–
Other	99,132	–
	2,172,937	750,000

> Note 21 - Extraordinary Profit

As at December 31, 2002 the extraordinary profit is mainly composed of gains realised on the sale of a house that belonged to the Bank.

This gain has been neutralised under the term of Article 54 LIR of the income tax law (see Note 15).

> Note 22 - Appropriation of Profit

The Board of Directors has proposed the following appropriation of profits:

Profit available for appropriation (EUR)	2002	2001
Profit brought forward	87,288	91,875
Profit for the year	4,793,606	18,395,413
	4,880,894	18,487,288

Proposed appropriation (EUR)	2002	2001
Dividend	4,500,000	16,000,000
Legal reserve	250,000	1,000,000
Free reserves	100,000	1,400,000*
Profit to be carried forward	30,894	87,288
	4,880,894	18,487,288

(*) Including a reserve of EUR 1,000,000 in 2001 which enabled the Bank to deduct wealth tax from taxable income as permitted under Article 174b LIR of the income tax law.

The proposed appropriation of profits of the year ended December 31, 2002 will be submitted for approval with the annual accounts to the ordinary general meeting of shareholders.

> Note 23 - Transactions with Affiliated Undertakings

The Bank carries out a significant volume of business with ABN AMRO Group companies.

Significant balances as at December 31 with these affiliated undertakings were as follows:

EUR millions	2002	2001
Loans and advances to credit institutions	3,752	2,274
Loans and advances to customers	3	3
Debt securities and other fixed-income securities	300	300
Amounts owed to credit institutions	1,142	827
Amounts owed to customers	148	64
Debts evidenced by certificates	750	–
Contingent liabilities	2	2
Commitments	8	2

> Note 24 - Assets and Liabilities denominated in Foreign Currencies

As at December 31, the aggregate amounts of the Bank's assets and liabilities which are denominated in foreign currencies, translated into Euro at year-end exchange rates were:

EUR millions	2002	2001
Assets	2,687	2,474
Liabilities	(2,689)	(2,474)

> Note 25 - Financial Instrument Disclosures

25.1 – Risk management policies

25.1.1 - Objectives and strategy

With the implementation of the dedicated Risk Management function in 2002 the Bank continued to further develop tools enhancing risk measurement, control and monitoring.

The effort in 2002 was specifically geared towards the Bank's Operational Risks monitoring besides the traditional Credit and Market risks control tools which are already in place.

The main activities of the Bank are geared towards Private Banking and Wholesale financial services in connection to Private, Corporate & Institutional Clients' inclusive those services related to Custodian and Depository Bank for Luxembourg based SICAV's as well as for Luxembourg registered Life Assurance Companies.

Hence, the Bank does not undertake any own trading activity except the ones deriving from warehousing and managing positions based on customer activity.

The Bank has set up systems of analysis and measurement of risks based on the nature and the volumes of its operations.

Furthermore, it manages its risks in consideration of its risk capacity with the aim of optimising returns.

25.1 – Risk management policies (continued)

25.1.1 - Objectives and strategy (continued)

The Board of Directors is responsible for setting the maximum level of risk to which the Bank may be exposed.

It delegates its authority to accept risks to the Managing Board in the form of overall limits and /or terms of business policy.

The Managing Board supervises the:

- a) Implementation of the Risk Policy;
- b) Compliance with the delegated overall limits;
- c) Actions taken by Line Management to identify, measure, limit, monitor and report risks.

The Managing Board receives regular reports from Line Management on the risks the Bank is exposed to.

The Bank has not dealt with any complex or high-risk financial instruments.

25.1.2 - Policies in measuring, controlling and monitoring risks

Credit risk

The Bank has put in place written procedures of credit risk selection and measurement by limiting such credits to “Lombard Credit” or “Secured Lending”.

Provided that the loans are not secured by ABN AMRO Group the loan is secured by customers’ assets, which are composed of securities and /or cash deposits.

The Bank’s policy is to provide portfolio leverage possibilities to customers within predefined collateral limits or to serve as a booking centre for certain specific loans related to the ABN AMRO Group customer base.

The valuation of credit risk takes into account the value of financial assets and the quality of the pledged assets received by the Bank, which is analysed through a credit proposal procedure.

Additionally, decision-making procedures are formalised and adapted to the characteristics, size, organisation and nature of the Bank’s activity.

The procedures related to credit decisions also foresee a grading scale of number of persons approving the decision when the amounts exceed predefined limits (i.e. from the local Credit Committee’s decision up to the ABN AMRO Group Head of Credit Risk Management ratification provided that delegated internal group limits are surpassed).

The Bank’s system and organisation enables risk measurement follow-up on an individual and /or on an aggregate basis.

The Bank’s procedures foresee permanent shortfall collateral reviews and mandatory annual reviews of individual loans.

The Managing Board reviews on a regular basis the evolution and the quality of the engagements and examines if credits should be classified as doubtful debts or not.

Market risk

The Bank has put in place systems to follow up the transactions carried out on its own behalf.

Hence, the Bank performs on a daily basis the following tasks:

- Register the transactions;
- Re-evaluate positions and calculate their related results;
- Determine the related positions per type of activity / transaction.

Liquidity, interest rate and foreign exchange risks

The Bank has put in place systems to monitor liquidity, interest rate and foreign exchange risks.

Hence, the Bank performs on a daily basis the following tasks:

- To monitor the positions and flows resulting from balance sheet and off balance sheet transactions;
- To evaluate on a regular basis the impact of interest fluctuations (i.e. interest rate sensitivity and interest exposure) on its results;
- To measure foreign exchange exposure and results.

> Note 25 - **Financial Instrument Disclosures** (continued)

25.1 – Risk management policies (continued)

25.1.2 - Policies in measuring, controlling and monitoring risks (continued)

Liquidity, interest rate and foreign exchange risks (continued)

Asset and liability interest rate mismatch limits for exposure up to 1 year have been set to EUR 100 million, USD 6 million and the equivalent of EUR 7.5 million for other currencies.

Net foreign exchange position limits have been fixed at USD 2 million for G10 currencies and USD 50 thousand for non G10 currencies.

Counterparty risk

The Managing Board approves the counterparties and the applicable limits.

The majority of the transactions are performed within the ABN AMRO Group.

Operational Risk Management

The Bank implemented during 2002 several systems / methodologies for operational risk management:

The Deficiency Management System

This is a database system where audit findings are stored in order to ensure that proper follow-up of these items is carried out and that deadlines agreed for corrective actions are respected.

Corporate Loss Database

This is a database system in which all operational losses above EUR 5,000 are recorded and classified according to a number of criteria enabling historical data on the size of the losses and the causes due to operational mistakes or failures.

Remedial actions are performed on the basis of its analysis.

Other Risk Approval Process

The aim of this procedure is to structurally assess and approve any Operational, Legal and Reputation risks arising from the introduction of new products, processes, systems or material changes in the organizational set up.

Operational Risk Management Committee

The Committee was incorporated at the beginning of 2002 with the purpose of ensuring that operational risk management issues or initiatives are dealt with on a timely basis within the Bank.

> Note 25 - Financial Instrument Disclosures (continued)

25.2 – Primary financial instruments

As at December 31, 2002, the information is as follows (in EUR):

Primary non-trading financial instruments

Financial assets	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Cash, balances with central banks and post office banks	48,879,795	–	–	–	48,879,795
Loans and advances to credit institutions	3,734,560,535	29,428,608	12,861,969	1,148,014	3,777,999,126
Loans and advances to customers	815,901,716	168,204,908	182,612,924	–	1,166,719,548
Debt securities and other fixed-income securities	–	6,396,863	50,471,905	343,388,741	400,257,509
Shares and other variable-yield securities	85,535,545	–	–	664,309,952	749,845,497
				Total	6,143,701,475

Financial liabilities	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Amounts owed to credit institutions	724,595,778	7,271,150	5,907,124	455,000,000	1,192,774,052
Amounts owed to customers	3,332,576,634	51,087,836	347,037,257	1,627,000	3,732,328,727
Debt evidenced by certificates	750,000,000	–	143,034,300	–	893,034,300
Subordinated liabilities	–	–	–	15,882,308	15,882,308
Guarantees and other direct substitutes for credit	115,998,925	85,660,447	21,648,062	9,342,810	232,650,244
Commitments	721,877,104	91,261,054	162,506,465	–	975,644,623
				Total	7,042,314,254

Primary trading financial instruments

As at December 31, 2002, the positions in the trading portfolio are not significant. They comprise short positions in shares and other variable-yield securities for an amount of approximately EUR 30,000.

> Note 25 - **Financial Instrument Disclosures** (continued)

25.2 – Primary financial instruments (continued)

As at December 31, 2001, the information is as follows (in EUR):

Primary non-trading financial instruments

Financial assets	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Cash, balances with central banks and post office banks	135,659,504	–	–	–	135,659,504
Loans and advances to credit institutions	2,734,674,554	47,300,066	13,188,793	1,147,522	2,796,310,935
Loans and advances to customers	687,100,474	177,261,080	–	–	864,361,554
Debt securities and other fixed-income securities	1,691,945	3,685,264	44,847,832	355,238,086	405,463,127
Shares and other variable-yield securities	456,383	–	92,173,257	664,034,563	756,664,203
				Total	4,958,459,323

Financial liabilities	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Amounts owed to credit institutions	315,533,402	103,812,914	–	455,000,000	874,346,316
Amounts owed to customers	3,520,236,872	51,331,049	24,181,831	2,534,560	3,598,284,312
Debt evidence by certificates	–	–	170,203,109	–	170,203,109
Subordinated liabilities	–	–	–	15,882,308	15,882,308
Guarantees and other direct substitutes for credit	122,576,913	94,437,278	21,761,190	12,075,806	250,851,187
Commitments	164,288,115	211,344,466	2,330,500	–	377,963,081
				Total	5,287,530,313

Primary trading financial instruments

As at December 31, 2001, the positions in the trading portfolio are not significant. They comprise shares and other variable-yield securities for an amount of approximately EUR 76,000.

> Note 25 - Financial Instrument Disclosures (continued)

25.2 – Primary financial instruments (continued)

Breakdown of primary non-trading financial instruments by geographical areas.

The breakdown is provided for loans and advances to credit institutions and customers, amounts owed to credit institutions and customers, contingent liabilities and commitments.

As at December 31, 2002, the information is as follows:

EUR millions	Loans and advances to credit institutions and customers		Amounts owed to credit institutions and customers		Contingent liabilities		Commitments	
	EUR millions	%	EUR millions	%	EUR millions	%	EUR millions	%
European Union	1,478.0	29.9%	3,546.6	72.0%	157.1	67.5%	654.2	67.1%
Europe	2,775.6	56.2%	201.9	4.1%	4.4	1.9%	225.6	23.1%
North America	642.3	13.0%	33.6	0.7%	0.2	0.1%	0.5	0.1%
Central America	1.7	–	137.7	2.8%	67.1	28.9%	7.0	0.7%
South America	35.6	0.7%	409.1	8.3%	3.7	1.6%	86.3	8.8%
Middle East	0.5	–	552.6	11.2%	–	–	1.3	0.1%
Africa	0.2	–	7.8	0.2%	–	–	–	–
Asia	10.8	0.2%	34.5	0.7%	–	–	0.6	0.1%
Oceania / Australia	–	–	1.3	–	0.1	–	0.1	–
	4,944.7	100.0%	4,925.1	100.0%	232.6	100.0%	975.6	100.0%

As at December 31, 2001, the information is as follows:

EUR millions	Loans and advances to credit institutions and customers		Amounts owed to credit institutions and customers		Contingent liabilities		Commitments	
	EUR millions	%	EUR millions	%	EUR millions	%	EUR millions	%
European Union	390.9	10.7%	3,091.4	69.2%	185.7	74.0%	297.6	78.7%
Europe	3,108.9	84.9%	372.5	8.4%	1.8	0.7%	9.8	2.6%
North America	114.3	3.1%	24.2	0.5%	0.2	0.1%	0.8	0.2%
Central America	4.7	0.1%	117.9	2.6%	57.8	23.1%	2.4	0.6%
South America	24.6	0.7%	207.0	4.6%	5.3	2.1%	65.4	17.3%
Middle East	–	–	622.7	13.9%	–	–	1.7	0.5%
Africa	0.2	–	10.0	0.2%	–	–	0.3	0.1%
Asia	17.0	0.5%	25.4	0.6%	0.1	–	–	–
Oceania / Australia	0.1	–	1.5	–	–	–	–	–
	3,660.7	100.0%	4,472.6	100.0%	250.9	100.0%	378.0	100.0%

> Note 25 - Financial Instrument Disclosures (continued)

25.2 – Primary financial instruments (continued)

Breakdown of primary non-trading financial instruments by economic sectors.

The breakdown is provided for loans and advances to credit institutions and customers, amounts owed to credit institutions and customers, contingent liabilities and commitments.

As at December 31, 2002, the information is as follows:

EUR millions	Loans and advances to credit institutions and customers		Amounts owed to credit institutions and customers		Contingent liabilities		Commitments	
Public authorities	–	–	–	–	–	–	–	–
Banks	3,778.0	76.4%	1,192.7	24.2%	79.4	34.1%	49.4	5.1%
Insurance and leasing companies, property, investment and asset management companies, other financial institutions	932.8	18.9%	2,200.4	44.7%	137.9	59.3%	812.5	83.3%
Other non financial companies	193.7	3.9%	37.5	0.8%	0.5	0.2%	13.4	1.4%
Energy, agriculture, water supply, mining	–	–	2.0	–	1.5	0.7%	10.0	1.0%
Individuals	40.2	0.8%	1,468.7	29.8%	13.3	5.7%	90.3	9.2%
Trade, hotels, nutrition	–	–	6.0	0.1%	–	–	–	–
Traffic, information network	–	–	17.8	0.4%	–	–	–	–
	4,944.7	100.0%	4,925.1	100.0%	232.6	100.0%	975.6	100.0%

As at December 31, 2001, the information is as follows:

EUR millions	Loans and advances to credit institutions and customers		Amounts owed to credit institutions and customers		Contingent liabilities		Commitments	
Public authorities	–	–	0.1	–	–	–	–	–
Banks	2,796.3	76.4%	874.3	19.5%	98.5	39.3%	50.3	13.3%
Insurance and leasing companies, property, investment and asset management companies, other financial institutions	820.6	22.4%	1,929.7	43.1%	133.4	53.2%	207.9	55.0%
Other non financial companies	3.8	0.1%	51.6	1.2%	0.4	0.1%	41.5	11.0%
Energy, agriculture, water supply, mining	–	–	0.6	–	0.6	0.2%	5.0	1.3%
Individuals	40.0	1.1%	1,568.2	35.1%	18.0	7.2%	73.3	19.4%
Trade, hotels, nutrition	–	–	18.2	0.4%	–	–	–	–
Traffic, information network	–	–	29.9	0.7%	–	–	–	–
	3,660.7	100.0%	4,472.6	100.0%	250.9	100.0%	378.0	100.0%

> Note 25 - Financial Instrument Disclosures (continued)

25.3 - Derivative financial instruments

The Bank carries out the following non-trading transactions on its own behalf:

Operations linked to currency exchange rates:

- swaps
- outright

Operations linked to interest rates:

- interest rate swaps

Operations linked to other market rates

- stock options

The Bank carries out the following transactions on behalf of its customers:

Operations linked to currency exchange rates:

- outright

Operations linked to other market rates:

- stock options
- futures

As at December 31, 2002, the transactions in derivative instruments on customers' behalf are as follows:

EUR	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	Total
Forward exchange contracts				
- currencies to be delivered to customers	152,986,170	104,207,770	158,327	257,352,267
- currencies to be received from customers	147,227,753	99,365,531	154,665	246,747,949
- currencies to be delivered to credit institutions - OTC	147,918,570	59,124,887	130,995	207,174,452
- currencies to be received from credit institutions - OTC	153,697,211	64,028,224	138,410	217,863,845
Stock options				
- purchase of call options - counterparty: customers - OTC - strike price	3,979,259	12,805,460	19,018,480	35,803,199
- sale of call options - counterparty: credit institutions - organised market - strike price	3,979,259	12,805,460	19,018,480	35,803,199
- purchase of put options - counterparty: customers - OTC - strike price	64,776,520	8,663,675	10,836,831	84,277,026
- sale of put options - counterparty: credit institutions - organised market - strike price	64,776,520	8,663,675	10,836,831	84,277,026
- sale of call options - counterparty: customers - OTC - strike price	3,021,582	7,988,010	8,377,567	19,387,159
- purchase of call options - counterparty: credit institutions - organised market - strike price	3,021,582	7,988,010	8,377,567	19,387,159
- sale of put options - counterparty: customers - OTC - strike price	26,301,155	12,910,057	32,919,390	72,130,602
- purchase of put options - counterparty: credit institutions - organised market - strike price	26,301,155	12,910,057	32,919,390	72,130,602

> Note 25 - Financial Instrument Disclosures (continued)**25.3 - Derivative financial instruments (continued)**

As at December 31, 2002, the transactions in derivative instruments on customers' behalf are as follows:

EUR	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	Total
Futures				
- purchase of futures - counterparty: customers - OTC - acquisition cost	7,384,580	—	—	7,384,580
- sale of futures - counterparty: credit institutions - organised market - acquisition cost	7,384,580	—	—	7,384,580
- purchase of futures - counterparty: credit institutions - organised market - acquisition cost	8,340,000	—	—	8,340,000
- sale of futures - counterparty: customers - OTC - acquisition cost	8,340,000	—	—	8,340,000

As at December 31, 2001, the transactions in derivative instruments on customers' behalf are as follows:

EUR	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	Total
Forward exchange contracts				
- currencies to be delivered to customers	175,132,956	163,980,918	1,292,978	340,406,852
- currencies to be received from customers	175,518,300	166,284,226	1,279,791	343,082,317
- currencies to be delivered to credit institutions - OTC	174,425,794	122,276,818	1,279,791	297,982,403
- currencies to be received from credit institutions - OTC	174,068,991	120,041,789	1,290,930	295,401,710
Stock options				
- purchase of call options - counterparty: customers - OTC - strike price	8,873,355	9,500,930	4,187,722	22,562,007
- sale of call options - counterparty: credit institutions - organised market - strike price	8,873,355	9,500,930	4,187,722	22,562,007
- purchase of put options - counterparty: customers - OTC - strike price	2,993,066	10,811,755	6,857,691	20,662,512
- sale of put options - counterparty: credit institutions - organised market - strike price	2,993,066	10,811,755	6,857,691	20,662,512
- sale of call options - counterparty: customers - OTC - strike price	1,104,874	10,288,401	29,288,426	40,681,701
- purchase of call options - counterparty: credit institutions - organised market - strike price	1,104,874	10,288,401	29,288,426	40,681,701
- sale of put options - counterparty: customers - OTC - strike price	2,640,000	1,579,043	3,476,186	7,695,229
- purchase of put options - counterparty: credit institutions - organised market - strike price	2,640,000	1,579,043	3,476,186	7,695,229

> Note 25 - Financial Instrument Disclosures (continued)

25.3 - Derivative financial instruments (continued)

As at December 31, 2002, the transactions in non-trading derivative instruments on its own behalf are as follows:

2002 by maturities (EUR)	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Total
Interest rate swaps					
- nominal amounts	91,978,591	–	2,815,121	500,000	95,293,712
Stock options					
- sale of call options counterparty: customers OTC - strike price	88,423,804	–	–	–	88,423,804
- purchase of put options counterparty: credit institutions OTC - strike price	388,681,266	–	–	665,458,972	1,054,140,238

As at December 31, 2001, the transactions in non-trading derivative instruments on its own behalf are as follows:

2001 by maturities (EUR)	≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Total
Swaps					
- currencies to be delivered to credit institutions - OTC	936,874,433	–	–	–	936,874,433
- currencies to be received from credit institutions - OTC	935,361,562	–	–	–	935,361,562
Interest rate swaps					
- nominal amounts	–	–	100,472,074	1,407,560	101,879,634
Stock options					
- sale of call options counterparty: customers OTC - strike price	–	–	105,219,562	–	105,219,562
- purchase of put options counterparty: credit institutions - OTC - strike price	–	–	405,525,928	665,458,972	1,070,984,900

25.4 – Management of credit risk

Credit risk information – Primary Financial Instruments

As at December 31, 2002, the information is as follows:

EUR	Notional amount (1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4) = (2) - (3)
Loans and advances to credit institutions	3,777,999,126	3,777,999,126	–	3,777,999,126
Loans and advances to customers	1,166,719,548	1,166,719,548	1,166,719,548	–
Debt securities and other fixed-income securities	400,257,509	400,257,509	–	400,257,509
Shares and other variable-yield securities	749,845,497	749,845,497	–	749,845,497
Contingent liabilities and commitments	1,208,294,867	1,208,294,867	147,699,263	1,060,595,604
			Total	5,988,697,736

> Note 25 - **Financial Instrument Disclosures** (continued)

25.4 – Management of credit risk (continued)

Credit risk information – Primary Financial Instruments (continued)

As at December 31, 2001, the information is as follows:

EUR	Notional amount (1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4) = (2) - (3)
Loans and advances to credit institutions	2,796,310,935	2,796,310,935	–	2,796,310,935
Loans and advances to customers	864,361,554	864,361,554	864,361,554	–
Debt securities and other fixed-income securities	405,463,127	405,463,127	–	405,463,127
Shares and other variable-yield securities	756,664,203	756,664,203	–	756,664,203
Contingent liabilities and commitments	628,814,268	628,814,268	211,446,088	417,368,180
			Total	4,375,806,445

Credit risk information – Non-trading OTC derivative instruments

As at December 31, 2002, the information is as follows:

Credit risk on non-trading OTC derivative instruments (use of initial risk method)

EUR	Notional amount (1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4) = (2) - (3)
Counterparty				
Credit institutions - Foreign exchange contracts - Initial maturity ≤ 1 year	212,372,110	4,247,442	–	4,247,442
Credit institutions - Foreign exchange contracts - Initial maturity > 1 year but ≤ 5 years	5,491,735	274,587	–	274,587
Customers - Foreign exchange contracts - Initial maturity ≤ 1 year	241,690,532	4,833,811	4,833,811	–
Customers - Foreign exchange contracts - Initial maturity > 1 year but ≤ 5 years	5,057,417	252,871	252,871	–
Credit institutions - Interest rate contracts - Remaining maturity ≤ 1 year	907,560	4,538	–	4,538
Credit institutions - Interest rate contracts - Remaining maturity > 1 year but ≤ 5 years	2,815,121	74,454	–	74,454
Credit institutions - Interest rate contracts - Remaining maturity > 5 years	500,000	25,000	–	25,000
Customers - Interest rate contracts - Remaining maturity ≤ 1 year	91,071,031	455,355	–	455,355
			Total	5,081,376

> Note 25 - **Financial Instrument Disclosures** (continued)

25.4 – Management of credit risk (continued)

Credit risk information – Non-trading OTC derivative instruments (continued)

As at December 31, 2001, the information is as follows:

Credit risk on non-trading OTC derivative instruments (use of initial risk method)

EUR	Notional amount (1)	Risk-equivalent amount (2)	Collateral (3)	Net risk exposure (4) = (2) - (3)
Counterparty				
Credit institutions - Foreign exchange contracts - Initial maturity ≤ 1 year	1,134,140,117	22,682,802	–	22,682,802
Credit institutions - Foreign exchange contracts Initial maturity > 1 year but ≤ 5 years	96,623,155	4,846,297	–	4,846,297
Customers - Foreign exchange contracts Initial maturity ≤ 1 year	263,554,701	5,271,094	5,271,094	–
Customers - Foreign exchange contracts Initial maturity > 1 year but ≤ 5 years	79,527,616	3,984,451	3,984,451	–
Credit institutions - Interest rate contracts Remaining maturity > 1 year but ≤ 5 years	3,115,121	100,454	–	100,454
Credit institutions - Interest rate contracts Remaining maturity > 5 years	1,407,560	94,454	–	94,454
Customers - Interest rate contracts Remaining maturity > 1 year but ≤ 5 years	97,356,953	1,947,139	–	1,947,139
			Total	29,671,146



> Note 25 - **Financial Instrument Disclosures** (continued)

25.4 – Management of credit risk (continued)

Credit risk information – Non-trading OTC derivative instruments (continued)

As at December 31, 2002, the information is as follows:

Credit risk on non-trading OTC derivative instruments (use of market risk method)

EUR	Mark to market premium (1)	Notional amount (2)	Credit risk equivalent conversion factors (3)	Weighting amounts (4) = (2) x (3)	Global replacement cost (5) = (4) + (1)	Collateral (6)	Net risk exposure (7) = (6) - (5)
Customers - Stock options							
Remaining maturity ≤ 1 year	6,337,792	90,224,914	6%	5,413,495	11,751,287	11,751,287	–
Remaining maturity > 1 year but ≤ 5 years	7,840,982	29,855,311	8%	2,388,425	10,229,407	10,229,407	–
						Total	–

As at December 31, 2002, the Bank had purchased three stock options from banking counterparties, including its head office, in order to hedge and reduce the risk on balance sheet transactions.

The notional of these options amounts to EUR 1,054,140,238, of which options for a nominal amount of EUR 388,681,266 come to maturity in 2003 (see table page 31).

As at December 31, 2001, the information is as follows:

Credit risk on non-trading OTC derivative instruments (use of market risk method)

EUR	Mark to market premium (1)	Notional amount (2)	Credit risk equivalent conversion factors (3)	Weighting amounts (4) = (2) x (3)	Global replacement cost (5) = (4) + (1)	Collateral (6)	Net risk exposure (7) = (6) - (5)
Customers - Stock options							
Remaining maturity ≤ 1 year	2,472,111	32,179,106	6%	1,930,746	4,402,857	4,402,857	–
Remaining maturity > 1 year but ≤ 5 years	1,997,226	11,045,413	8%	883,633	2,880,859	2,880,859	–
						Total	–

As at December 31, 2001, the Bank had purchased three stock options from banking counterparties, including its head office, in order to hedge and reduce the risk on balance sheet transactions. The notional of these options amounts to EUR 1,070,984,900 (see table page 31)

> Note 26 - Geographical Analysis of Income

The Bank is primarily involved in Private Banking and Funds.

In the view of the Bank, the services and products it offers are universally applicable and are not differentiated by geographical market.

> Note 27 - Management and Agency Services to Third Parties

These services include:

- Portfolio management and advice
- Custody and administration of transferable securities
- Renting of vault space
- Fiduciary agency
- Corporate structures
- Listing agency
- Bond issues
- Bond lending on behalf of customers

> Note 28 - Directors and Management

(EUR thousands)	2002	2001
Remuneration		
Directors	–	–
Management	1,146	1,047
Pension		
Directors	–	–
Management	96	191
Loans, advances, guarantees given		
Directors	–	–
Management	122	57

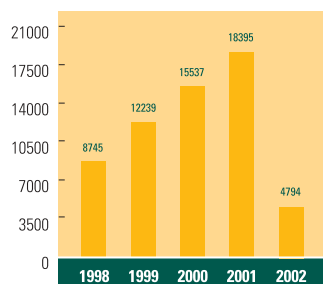
> Note 29 - Staff

The average number of persons employed during the year by the Bank was:

	2002	2001
Management	4	4
Employees	226	212
	230	216

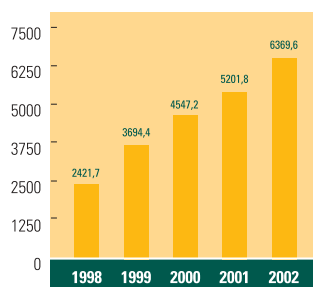
Key Figures

Results (in EUR thousand)



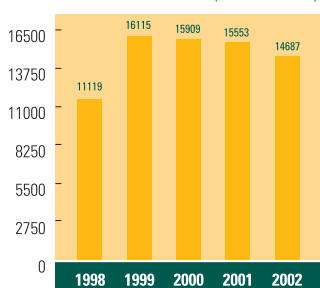
Results (in EUR thousand)	2002	2001	2000	1999	1998
Total net income	66,294	57,865	54,908	47,916	40,668
Total expenses	36,857	34,135	34,580	28,709	26,517
Operating profit	29,437	23,730	20,328	19,207	14,650
Risk provisions	24,464	1,607	1,521	2,113	573
Other	32	381	62	0	498
Pre-tax profit	5,005	22,504	18,869	17,094	14,575
Taxes	211	4,109	3,332	4,855	5,332
Net profit	4,794	18,395	15,537	12,239	8,745

Balance Sheet (in EUR million)



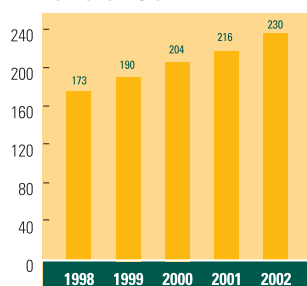
Balance Sheet (in EUR million)	2002	2001	2000	1999	1998
Shareholders' equity	417.7	428.9	423.5	270.9	48.7
Subordinated liabilities	15.9	15.9	15.9	40.7	40.7
Customers' deposits	3,732.3	3,598.3	3,207.7	2,596.7	1,944.3
Loans to customers	1,166.7	864.4	717.1	878.5	726.4
Balance sheet total	6,369.6	5,201.8	4,547.2	3,694.4	2,421.7

Customers' assets (in EUR million)



Customers' assets (in EUR million)	2002	2001	2000	1999	1998
Deposits	3,732	3,598	3,207	2,597	1,944
Securities	10,854	11,867	12,576	11,230	7,928
Fiduciary deposits	101	88	126	2,288	1,247
Total customers' assets	14,687	15,553	15,909	16,115	11,119

Permanent Staff



	2002	2001	2000	1999	1998
BIS total capital ratio	32.46%	31.81%	34.60%	38.57%	11.44%
Income / Operating expense ratio	1.80	1.70	1.59	1.67	1.55
Efficiency ratio (Expenses / Income)	55.60	58.99	62.98	59.92	65.20
Return on equity (ROE)	1.15%	4.29%	3.67%	4.52%	17.90%
Average permanent staff	230	216	204	190	173
Net profit per average permanent staff (in EUR thousand)	20.8	85.2	76.2	64.4	50.6



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