

## **REPORT ON KOMERČNÍ BANKA'S FINANCIAL RESULTS AS AT 31 MARCH 1999**

### **CZECH ECONOMY IN THE FIRST QUARTER OF 1999**

In the first quarter of 1999 the Czech economy still experienced recession as the negative effects of the restrictive policies of previous period were still making themselves felt. Furthermore, there was no economic revival in the countries constituting the main trading partners of the Czech Republic. Domestic demand especially in construction and industry was still lagging. The strong currency, favourable development in import prices and the stagnating domestic demand have simultaneously positively influenced inflation as measured both by consumer prices and by price index of industrial producers. Net inflation in the first quarter of 1999 showed the Czech economy to be hovering on the verge of deflation.

Data for the first quarter of this year nevertheless confirm that the real growth of wages has undergone a significant acceleration, so there is an upward movement in household consumption and in the retail sales now. Due to the constant propensity to save on the part of households, this trend will continue for the whole 1999. The devaluation of the currency of 10 % at the turn of January and February, which should prove favourable to Czech exports with the lag of the half year. However, this positive effect was diminished by last month's strengthening of the Czech currency. Thus we look rather to the anticipated boom in the EU economies to revive exports moderately in the second half of the year.

The recession in the economy led to a worsening of the financial situation of Czech companies which in its turn has had a negative effect on employment. It was also the recession which was responsible for the further deterioration in the loan portfolio of the major Czech banks. At the same time the proportion of classified loans increased relatively due to the lower volume of new loans.

### **BUSINESS POLICY OF THE BANK**

Like all the players in the financial world, Komerční banka has been making intensive preparation to implement the new unified currency of the European Union countries, the euro. From the first day of its existence (1 January 1999) the Bank has offered an extended range of banking products and services in this currency, for example current account, the first of which can be opened free of charge, and also clean and documentary foreign payments, services relating to foreign cheques and time deposits. In addition, the Bank offers payment cards of the Eurocard/MasterCard and VISA card systems with all related services to current account in the euro. Information on new euro products offered by Komerční is

available free on Express line (+420 800/111124) and Euro Info Centrum in Hradec Králové (+ 420 49/5815 710).

Besides free non-cash conversion between the national currencies of the member countries of the European Monetary Union and euro Komerční banka has since 1 March of this year supported clean payments in euro also by a more favourable policy in terms of fees as against the payments in other foreign currencies.

Another change in the Komerční banka product range affecting above all small savers is a new way of setting bands of interest rates with deposit products, which is effective from 4 January this year. Instead of four interest bands divided according to the balance the Bank has introduced five bands with different interest rates for individual types of deposits. In introducing this new structure the Bank has in mind depositors with a balance of up to CZK 150 thousand and CZK 300 thousand respectively. These deposits will henceforth be better remunerated.

The first quarter also saw changes in Komerční banka's management. In March the Supervisory Board decided to recall Mr. Vladimír Šulc from the Board of Directors. At the same time Mr. Pavel Ševčík, until February 1999 Vice-Chairman of the Board of Directors and Chief Executive of Českomoravská hypoteční banka, became a new member of the Board of Directors.

## **FINANCIAL RESULTS ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS**

### **Profit and Loss Account**

The operating profit, i. e. profit before provision for loan losses amounted to CZK 2.3 billion in the first three months of this year, a decrease of 37.2 % in comparison with the same period last year. This was mainly due to the fall in net interest income which suffered from the continuing decrease in interest rates. On the side of costs, the Bank's consistent control of cost flows enabled the Bank to decrease the pace of the growth in administrative expenses; this increased in the first quarter of this year to CZK 2.1 billion, i. e. by 5.3 % nominally. In this quarter, as throughout 1998, Komerční banka continued to stabilize the loan portfolio. This involved costs through the provision for loan losses of CZK 4.1 billion, an increase by more than 20 % as against the same period of last year. It was largely the coverage of the risks associated with the loan portfolio which caused the accounting loss of CZK 1.8 billion for the first quarter of 1999.

*Net interest income* of CZK 2.8 billion decreased by 34.5 % compared with the first quarter of the last year. This decrease is a result *inter alia* of the difference between interest rates this

year and last year. In the first quarter of the last year the interest rates were much higher than this year and decreased only moderately in the first half of the year. The most significant decrease was recorded at the end of 1998. The Bank is negatively sensitive to the decrease in interest rates on the interbank market which was reflected in a gradual decrease in the Bank's reference rate - in total by 0.8 of a percentage point for the first three months of this year. Another reason for the fall of net interest income was that interest received from clients decreased more rapidly (a decrease of 32.4 %) than interest paid to clients (a decrease of 25.1 %). The volume of the loans granted to clients decreased in fact in the inter-year comparison by more than CZK 26 billion, thus producing the lower volume of interest received from clients. An adverse development was also visible in net interest income from securities which decreased in comparison with the first quarter of 1998 by 14.1 %.

The decrease in net interest income also affected *net interest margin* which in comparison with the end of the last year decreased by 0.7 of a percentage point and reached 3.15 % as at 31 March 1999.

*Net fees and commissions* showed an increase of 3.3 % as against the first quarter of 1998 and continue to strengthen their position in the Bank's income. The highest contribution to this item were fees and commissions from clients; in comparison with the first quarter of 1998 they increased by 4.1 %, thus accounting for 96.7 % of received fees. Net fees and commissions built 22.6 % of the total net income of the Bank as at 31 March 1999, which represents an increase of 5.1 percentage points on the same period of the last year.

The Bank achieved good results in operations on financial markets produced *dealing profits* of CZK 0.6 billion. This was an increase of 89.1 % in comparison with the first quarter of 1998 and is mainly due to trading with foreign currency which in the first three months of 1999 generated an income of CZK 0.8 billion. Also the item net gains/(losses) from trading in securities in comparison with the first quarter of the last year increased - by approximately CZK 0.2 billion. Thus it has again become a profitable activity.

*Other income* of total CZK 0.4 billion decreased by 11.5 % in comparison with the first quarter of the last year. Almost 90 % of this item were formed by the income from foreign exchange transactions.

The Bank continues to increase the ratio of non-interest income to total net income; this was 41.7 % as at 31 March 1999.

*Administrative expenses* of CZK 2.1 billion increased by 5.3 % in comparison with the first quarter of the last year. Staff costs made up approximately 49 % of this total and increased interyearly by a nominal 2.4 % only. The increase in administrative expenses was caused mainly by a change in the rules for payment of the obligatory contribution into the Deposit Insurance Fund introduced in the first half of the last year. Following this change the

contribution for the first quarter of 1999 was higher than that one for the same period of the last year. Another factor favourable to development in administrative expenses was the reduction in staff by 309 persons in the first three months of the year, thus breaking through the level of 14 thousand employees. This fully accords with the Bank's plan to reducing the number of employees not only in throughout the branch network but also in the Bank's head office.

The inter-year decrease in total net income by 20.2 % together with the above mentioned moderate growth of administrative expenses resulted in an increase of *cost/income ratio* which reached 52.2 % as at 31 March 1999.

The *provision for loan losses* totalling CZK 4.1 billion rose by 21.7 % in comparison with the first quarter of the last year. As at 31 March 1999 CZK 1.7 billion of this amount was in response to the measure regarding real estate collateral taken by the Czech National Bank (CNB). The increase in provision for loan losses is an indication of how the poor performance of the economy is reflected in the financial situation of the Bank's clients. Therefore the loan portfolio quality and the search for its active solution continue to rank high in the Bank's priorities.

In the first three months of 1999 the Bank wrote off to the off-balance sheet receivables of CZK 4.4 billion; of these CZK 0.6 billion represented receivables from other banks. They all were loss receivables fully covered by specific provisions, i. e. their writing-off had no effect on the Bank's costs. Therefore the total volume of the potentially recoverable receivables already written-off to the off-balance sheet increased to roughly CZK 33 billion. Over half of this is due from clients involved in bankruptcy proceedings. The extraordinary income of CZK 218 million obtained in the first quarter of 1999 from receivables previously written-off represents nearly half of the income received for the whole year 1998 whilst the recovery ratio amounted to 31.2 %.

From the sale of 89 loss receivables totalling CZK 1.1 billion, which was realized in the first quarter, the Bank received net income exceeding CZK 0.5 billion, which represents nearly 48 % of the nominal value. Realization of loan collateral, evaluated at CZK 0.3 billion in the first quarter, produced only CZK 60 million. Results of the collateral realization remain still unsatisfactory due to the current legal environment.

## **Balance Sheet**

Total assets decreased in the course of the first quarter by 2.1 % to a final CZK 413.1 billion. The reason for this decrease is largely the recession in the Czech economy which causes a lack of quality investment opportunities.

## **Assets**

*Cash and balances with the central bank* decreased in the first quarter of 1999 by 14.4 %, amounting to CZK 27.2 billion as at 31 March 1999. This is largely the result of the decrease in obligatory minimum reserves set by the Czech National Bank from 7.5 % to 5 % with effect from January of this year.

Amounts *due from financial institutions* totalling CZK 113.1 billion decreased by 1.8 % during the first three months. REPO operations constituting more than 43 % of this item decreased by 13.3 % to the final amount of CZK 49.6 billion. The effect of this decrease is largely offset by the increase of deposits with other banks by 12.3 %.

The volume of *treasury bills* witnessed a heavy decrease by CZK 1.7 billion to the amount of CZK 0.1 billion. Having analysed the profitability of these securities, the Bank decided not to buy new bills.

In the first quarter of this year as well as in the last year the Bank continued to reduce its exposure to securities due to the general state of this market. The volume of *dealing securities* of CZK 14.9 billion is down by 9.0 % in comparison with the end of the last year. Also the amount of *investment securities* decreased in the first three months by 4.0 % to CZK 15.4 billion. Fixed income securities - bonds - constitute 90 % of both dealing and investment portfolios. The proportion of shares in the securities portfolio of Komerční banka continues to decrease.

*Loans and advances to customers* increased moderately in comparison with the situation as at 31 December 1998 by approximately 0,5 % to CZK 214.9 billion. One of the reasons for this increase is the already mentioned tendency of market interest rates to decrease which motivates to financing by bank loan. A marked increase - by more than CZK 1 billion - was witnessed by the consumer loans. Mortgages increased by approximately CZK 0.4 billion. In the first quarter of 1999 there was a moderate improvement in the loan portfolio quality, both in absolute amounts and quality indicators. The volume of standard and watch loans increased by CZK 2.2 billion in comparison with the starting point. This increased the share of loans in these two "non-problem" categories in the total volume of loans to 72.1 %. The volume of loans under special review (i. e. loans in the sub-standard, doubtful and loss categories), on the contrary, decreased by CZK 1.5 billion, thus reducing their proportion in total loans by 0.71 of a percentage point to 27.9 %. The standard and watch loans

constituted 96.1 % of the total volume of CZK 15.5 billion of loans granted in the first quarter of this year.

## **Liabilities**

*Amounts owed to customers* increased in the first three months by 1.0 % to CZK 276.5 billion. This reflected positively *inter alia* the change introduced in January of the deposit interest bands in favour of small depositors and revived interest in deposits on the part of clients.

*Amounts owed to financial institutions* decreased in the first quarter of this year by 18.3 % thanks to the repayment of several foreign currency loans.

Komerční banka issued no new *certificated debt* in the first quarter of 1999 and therefore volume of this item remained without substantial change at CZK 31.8 billion.

The value of *subordinated debt* increased by 20.1 % in the first three months of this year due to the change of the exchange rate of US dollar to Czech crown and it reached CZK 7.2 billion as at 31 March 1999.

*Total shareholders' equity* at the end of the first quarter of 1999 amounted to CZK 18.6 billion which means a decrease by 8.9 % in comparison with the end of 1998. The main reason for this is the reported accounting loss. Thus the ratio of total shareholders' equity to total assets of the Bank decreased slightly to 4.5 %.

*Capital adequacy* ratio of the Bank according to the BIS methodology reached 9.92 % at the end of the first quarter of 1999, which is an increase of 0.4 of a percentage point in comparison with the end of the last year. Capital adequacy ratio according to the CNB methodology exceeded the obligatory limit of 8 % and reached 10.34 % as at 31 March 1999.

## SHAREHOLDER STRUCTURE

### Major shareholders of Komerční banka with over 1 % of the share capital (as at 31 March 1999)

Shareholder	Proportion in %
Fond národního majetku ČR	48.74 %
Bank of New York ADR Department <sup>1)</sup>	16.12 %
Restituční investiční fond ČR	3.51 %
Česká pojišťovna, a. s.	2.90 %
Rentiérský investiční fond, a. s.	1.95 %
P.I.F, a. s. - 1. Privatizační investiční fond, a. s.	1.25 %
Bank Austria AG	1.15 %

<sup>1)</sup> With the permission of the Czech National Bank, The Bank of New York ADR Department is the holder of those shares for which Global Depository Receipts (GDRs) were issued and which are in the possession of a significant number of foreign investors.

As was in previous year, also in the first quarter of 1999 the share capital of Komerční banka remained divided into 19,004,926 shares which were in the possession of 77,970 shareholders as at 31 March 1999. Their number decreased during this period by 824 persons, both private individuals and corporate entities. Corporate entities totalling 393 entities held shares of 89.6 %, the remainder being held by 77,577 private individuals.

The share of foreign shareholders in the share capital of the Bank increased to 22.3 % in the first quarter of 1999. Foreign corporate entities owned 21.9 % of the share capital and foreign private individuals 0.4 %.

**KOMERČNÍ BANKA'S PROFIT AND LOSS ACCOUNT  
ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS**

(in CZK million)

	Item	31 March 1999 (Unaudited)	31 March 1998 (Unaudited, Restated)
1.	Interest income	9,451	12,473
2.	Interest expense	(6,628)	(8,164)
<b>3.</b>	<b>Net interest income</b>	<b>2,823</b>	<b>4,309</b>
4.	Net fees and commissions	1,095	1,060
5.	Dealing profits / (losses)	571	302
6.	Other income	353	399
<b>7.</b>	<b>Operating profit</b>	<b>4,842</b>	<b>6,070</b>
8.	Administrative expenses	(2,149)	(2,040)
9.	Depreciation and other provisions	(378)	(344)
<b>10.</b>	<b>Profit / (loss) before provision for loan losses and income taxes</b>	<b>2,315</b>	<b>3,686</b>
11.	Provision for loan losses	(4,133)	(3,397)
<b>12.</b>	<b>Profit / (loss) before income taxes</b>	<b>(1,818)</b>	<b>289</b>
13.	Income taxes	(3)	(20)
<b>14.</b>	<b>Net profit / (loss) for the period</b>	<b>(1,821)</b>	<b>269</b>

**KOMERČNÍ BANKA'S BALANCE SHEET  
ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS**

(in CZK million)

	Item	31 March 1999 (Unaudited)	31 December 1998 (Audited)
<b>ASSETS</b>			
1.	Cash and balances with the central bank	27,243	31,827
2.	Due from financial institutions	113,050	115,077
3.	Treasury bills and other bills eligible for refinancing	145	1,833
4.	Loans and advances to customers (net)	214,942	214,018
5.	Dealing securities	14,881	16,349
6.	Prepayments, accrued income and other assets	8,267	7,686
7.	Investment securities	15,420	16,056
8.	Investments in subsidiaries and associates	3,984	3,960
9.	Tangible and intangible fixed assets (net)	15,193	15,278
	<b>Total assets</b>	<b>413,125</b>	<b>422,084</b>
<b>LIABILITIES</b>			
1.	Amounts owed to financial institutions	58,609	71,769
2.	Amounts owed to customers	276,489	273,698
3.	Certificated debts	31,787	31,646
4.	Accruals, provisions and other liabilities	20,434	18,542
5.	Subordinated debt	7,169	5,971
	<b>Total liabilities</b>	<b>394,488</b>	<b>401,626</b>
<b>Shareholders' equity</b>			
6.	Share capital	9,502	9,502
7.	Share premium and reserves	9,135	10,956
	<b>Total shareholders' equity</b>	<b>18,637</b>	<b>20,458</b>
	<b>Total liabilities and shareholders' equity</b>	<b>413,125</b>	<b>422,084</b>

**KOMERČNÍ BANKA'S PROFIT AND LOSS ACCOUNT  
ACCORDING TO THE ACCOUNTING METHODOLOGY OF THE CZECH BANKS**

(in CZK million)

	<b>Item</b>	<b>31 March 1999</b>	<b>31 March 1998</b>
<b>1.</b>	<b>Interest income and similar income</b>	<b>10,847.5</b>	<b>14,824.2</b>
	of which: interest income from fixed income securities	724.8	857.8
<b>2.</b>	<b>Interest expense and similar expenses</b>	<b>(8,026.3)</b>	<b>(10,456.6)</b>
	of which: interest expense on fixed income securities	(948.8)	(1,388.1)
<b>3.</b>	<b>Income from variable yield securities</b>	<b>0.0</b>	<b>0.0</b>
	a) income from shares and other variable yield securities	0.0	0.0
	b) income from investments in associated undertaking	0.0	0.0
	c) income from investments in subsidiary undertaking	0.0	0.0
	d) income from investments	0.0	0.0
<b>4.</b>	<b>Fee and commission income</b>	<b>1,160.1</b>	<b>1,123.5</b>
<b>5.</b>	<b>Fee and commission expense</b>	<b>(64.8)</b>	<b>(63.2)</b>
<b>6.</b>	<b>Profit (loss) from financial operations</b>	<b>55.8</b>	<b>1,158.5</b>
<b>7.</b>	<b>Other income</b>	<b>796.1</b>	<b>882.4</b>
<b>8.</b>	<b>General operating costs</b>	<b>(2,248.9)</b>	<b>(2,292.7)</b>
	a) staff costs	(1,030.1)	(1,032.3)
	aa) salaries and wages	(757.6)	(759.8)
	ab) social insurance	(226.8)	(228.6)
	ac) health insurance	(45.7)	(43.9)
	b) other operating costs	(1,218.8)	(1,260.4)
<b>9.</b>	<b>Creation of reserves and provisions for tangible and intangible assets</b>	<b>0.0</b>	<b>0.0</b>
	a) creation of reserves for tangible assets	0.0	0.0
	b) creation of provisions for tangible assets	0.0	0.0
	c) creation of provisions for intangible assets	0.0	0.0
<b>10.</b>	<b>Use of reserves and provisions for tangible and intangible assets</b>	<b>0.0</b>	<b>0.0</b>
	a) use of reserves for tangible assets	0.0	0.0
	b) use of provisions for tangible assets	0.0	0.0
	c) use of provisions for intangible assets	0.0	0.0
<b>11.</b>	<b>Other costs</b>	<b>(5,859.7)</b>	<b>(4,595.4)</b>
<b>12.</b>	<b>Creation of reserves and provisions for loans and guarantees</b>	<b>(6,539.0)</b>	<b>(7,172.1)</b>
<b>13.</b>	<b>Use of reserves and provisions for loans and guarantees</b>	<b>7,196.8</b>	<b>7,367.1</b>
<b>14.</b>	<b>Creation of reserves and provisions for fixed asset investments and other financial investments</b>	<b>0.0</b>	<b>0.0</b>
<b>15.</b>	<b>Use of reserves and provisions for fixed asset investments and other financial investments</b>	<b>17.6</b>	<b>0.0</b>
<b>16.</b>	<b>Creation of other provisions and reserves</b>	<b>(209.7)</b>	<b>(529.8)</b>
<b>17.</b>	<b>Use of other provisions and reserves</b>	<b>1,030.2</b>	<b>5.3</b>
<b>18.</b>	<b>Income tax from current activities</b>	<b>(2.5)</b>	<b>(19.7)</b>
<b>19.</b>	<b>Extraordinary income</b>	<b>43.1</b>	<b>41.2</b>
<b>20.</b>	<b>Extraordinary costs</b>	<b>(146.0)</b>	<b>(56.6)</b>
<b>21.</b>	<b>Income tax from extraordinary activities</b>	<b>0.0</b>	<b>0.0</b>
<b>22.</b>	<b>Profit or loss from extraordinary activities after tax</b>	<b>(102.9)</b>	<b>(15.4)</b>
<b>23.</b>	<b>Profit or loss for accounting period</b>	<b>(1,949.7)</b>	<b>216.1</b>

**KOMERČNÍ BANKA'S BALANCE SHEET  
ACCORDING TO THE ACCOUNTING METHODOLOGY OF THE CZECH BANKS**

(in CZK million)

**ASSETS**

	<b>Item</b>	<b>31 March 1999</b>	<b>31 December 1998</b>
<b>1.</b>	<b>Cash in hand, deposits with central banks, post checking accounts</b>	<b>25,105.6</b>	<b>30,494.2</b>
<b>2.</b>	<b>Treasury bills and other bills</b>	<b>50,524.0</b>	<b>60,471.8</b>
	a) treasury bills and similar bonds issued by the state	60.5	1,831.9
	b) other bills	50,463.5	58,639.9
<b>3.</b>	<b>Amounts due from banks</b>	<b>115,187.5</b>	<b>116,410.0</b>
	a) payable on demand	1,278.6	1,332.2
	b) other receivables	113,908.9	115,077.8
	of which: subordinated assets	0.0	0.0
<b>4.</b>	<b>Amounts due from clients</b>	<b>217,388.4</b>	<b>218,025.1</b>
	a) payable on demand	259.3	313.7
	b) other receivables	217,129.1	217,711.4
	of which: subordinated assets	0.0	0.0
<b>5.</b>	<b>Bonds and other fixed income securities for trading</b>	<b>14,409.6</b>	<b>15,849.7</b>
	a) issued by banks	3,746.7	4,291.3
	of which: own bonds	397.1	1,142.5
	b) issued by other subjects	10,662.9	11,558.4
<b>6.</b>	<b>Shares and other variable yield securities for trading</b>	<b>435.0</b>	<b>470.7</b>
<b>7.</b>	<b>Fixed asset investments in associated undertakings</b>	<b>2,763.1</b>	<b>2,763.9</b>
	a) in banks	280.0	280.0
	b) in other entities	2,483.1	2,483.9
<b>8.</b>	<b>Fixed asset investments in subsidiary undertakings</b>	<b>1,221.0</b>	<b>1,195.8</b>
	a) in banks	470.5	445.3
	b) in other entities	750.5	750.5
<b>9.</b>	<b>Other financial investments</b>	<b>15,712.2</b>	<b>16,141.4</b>
<b>10.</b>	<b>Intangible assets</b>	<b>589.8</b>	<b>590.5</b>
	a) expenses of foundation	0.0	0.0
	b) goodwill	0.0	0.0
<b>11.</b>	<b>Tangible assets</b>	<b>13,619.5</b>	<b>13,879.7</b>
	a) land and buildings for banking activities	9,737.4	9,813.9
	b) other	3,882.1	4,065.8
<b>12.</b>	<b>Own shares</b>	<b>0.0</b>	<b>3.5</b>
<b>13.</b>	<b>Other assets</b>	<b>3,009.9</b>	<b>3,439.8</b>
<b>14.</b>	<b>Subscribed capital called-up and not paid</b>	<b>0.0</b>	<b>0.0</b>
<b>15.</b>	<b>Prepayments and accrued income</b>	<b>8,527.1</b>	<b>7,582.6</b>
	<b>TOTAL ASSETS</b>	<b>468,492.7</b>	<b>487,318.7</b>

## LIABILITIES

		31 March 1999	31 December 1998
<b>1.</b>	<b>Amounts due to banks</b>	<b>109,004.7</b>	<b>130,411.7</b>
a)	payable on demand	3,211.1	6,885.7
b)	other	105,793.6	123,526.0
<b>2.</b>	<b>Amounts due to clients</b>	<b>276,489.1</b>	<b>273,697.7</b>
a)	savings deposits	38,805.8	38,390.2
	of which: payable on demand	1,736.8	1,771.4
b)	other amounts due to clients	237,683.3	235,307.5
	of which: payable on demand	96,348.8	113,818.6
<b>3.</b>	<b>Certificates of deposit and similar debentures</b>	<b>35,000.8</b>	<b>35,000.8</b>
a)	certificates of deposit	0.8	0.8
b)	other	35,000.0	35,000.0
<b>4.</b>	<b>Accruals and deferred income</b>	<b>7,598.5</b>	<b>8,062.4</b>
<b>5.</b>	<b>Reserves</b>	<b>3,290.0</b>	<b>5,651.0</b>
a)	reserves for standard loans and guarantees	2,568.3	4,108.8
b)	reserves for foreign exchange rate losses	0.0	835.8
c)	reserves for other banking risks	521.1	505.9
d)	other reserves	200.6	200.5
<b>6.</b>	<b>Subordinated liabilities</b>	<b>7,169.0</b>	<b>5,971.0</b>
<b>7.</b>	<b>Other liabilities</b>	<b>11,886.0</b>	<b>8,508.6</b>
<b>8.</b>	<b>Share capital</b>	<b>9,502.5</b>	<b>9,502.5</b>
	of which: share capital paid-up	9,502.5	9,502.5
<b>9.</b>	<b>Share premium fund</b>	<b>6,008.0</b>	<b>6,008.0</b>
<b>10.</b>	<b>Reserve funds</b>	<b>2,408.2</b>	<b>2,408.2</b>
a)	obligatory reserve funds	1,903.0	1,903.0
b)	reserve funds for own shares	5.0	5.0
c)	other reserve funds	500.2	500.2
<b>11.</b>	<b>Capital funds and other funds from profit</b>	<b>11,366.3</b>	<b>11,377.4</b>
a)	capital funds	54.7	54.7
b)	other funds from profit	11,311.6	11,322.7
<b>12.</b>	<b>Retained earnings and not compensated loss of previous periods</b>	<b>(9,280.7)</b>	<b>523.9</b>
<b>13.</b>	<b>Profit or loss for the accounting period</b>	<b>(1,949.7)</b>	<b>(9,804.5)</b>
	<b>TOTAL LIABILITIES</b>	<b>468,492.7</b>	<b>487,318.7</b>

## OFF-BALANCE SHEET

	Item	31 March 1999	31 December 1998
<b>1.</b>	<b>Total future potential liabilities</b>	<b>38,958.9</b>	<b>35,197.7</b>
	of which:		
a)	received bills of exchange (acceptances) and endorsements of bills of exchange	0.0	0.0
b)	commitments from guarantees	38,958.9	35,197.7
c)	commitments from collateral	0.0	0.0
<b>2.</b>	<b>Other irrevocable commitments</b>	<b>19,318.0</b>	<b>21,627.6</b>
<b>3.</b>	<b>Receivables from spot, forward and option operations</b>	<b>283,705.8</b>	<b>237,963.2</b>
<b>4.</b>	<b>Liabilities from spot, forward and option operations</b>	<b>279,655.9</b>	<b>234,207.7</b>