

REPORT ON KOMERČNÍ BANKA'S FINANCIAL RESULTS AS AT 31 MARCH 2000

CZECH ECONOMY AT THE BEGINNING OF THE YEAR 2000

Starting the second quarter of 1999, the development of Czech economy took a gradual upturn; the economy moved from decline to stagnation, showing signs of recovery at the end of the year 1999. The main factor contributing to this upturn was export, followed by private household consumption. Government consumption contributes very little to the growth of domestic demand. The data on gross domestic product for the first quarter of the year 2000 will not be available until the end of June 2000 - however, partial indicators suggest that the economic recovery was picking up during the first months of the year 2000. The most dynamic growth shows the industrial production, which declined by 3% in the year 1999, but grew at a year-on-year rate of 5% during the first quarter of 2000. The main factor contributing to this rapid growth was high foreign demand. Household consumption also continues to recover. Retail sales, showing the growth rate of 2% in 1999, increased to more than 6%, year-on-year, during the first quarter of the year 2000. Construction, showing a 6% decline in the year 1999, also shows a year-on-year growth by 4% during the first quarter of 2000.

The economic recovery had a positive impact on the job market during the first quarter of the year 2000. Unemployment rate, which, as of 31 December 1999, reached its historical maximum of 9.4%, went up all the way to 9.8% in January 2000, due to seasonal reasons - however, at the end of April of 2000, it fell to 9.0%. Even though the prognosis for the rest of the year 2000 anticipates an increase in unemployment rate, the increase will be substantially smaller than that of the years of 1998 -1999. The prognosis of the Bank shows 9.8% as of the end of the year 2000.

One of the strong features of the economic development during the last year was a considerable decline in inflation. The average inflation rate in 1999 reached 2.1% after five years of average annual inflation rate of about 10%. The price trend was unusually suppressed, even during the first months of the year 2000. The reason was both stiffer competition on the retail market, mainly due to new supermarkets, and the continuing reduction in food prices that outweighed the oil price increase. The average inflation rate in the year 2000 will reach only 3.8%, in spite of some acceleration due to the economic recovery. At the same time, the net inflation target, set up by the Czech National Bank (CNB) for the year 2000, will be considerably lower.

Monetary policy has not shown any principal changes during the past several months. For the year 2001, CNB declares the net inflation target to be $3\pm 1\%$, which corresponds with a neutral monetary policy prognosis for the nearest future. During the first quarter of 2000, the exchange rate of CZK to USD considerably weakened, while strengthened toward EUR. At the end of the first quarter, the exchange rate of CZK weakened again, reaching the interval of 36 - 37 CZK/EUR, thanks to the interventions of CNB, and during the upcoming months it will probably stay at this level.

The development in the foreign environment had a positive impact on Czech economy in the first quarter 2000; foreign demand for Czech export renewed, and foreign investors are still interested in the Czech Republic as a territory for direct investments. The development during the first months of the year 2000 shows that the recovery of the national economy will most likely increase the trade balance deficit (from CZK 70 billion in 1999 to approximately CZK 85 billion in 2000). However, the current account deficit will remain well within a safety range (the Bank's prognosis is -2.3% of GDP). According to current signs, the flow of direct

foreign investments will be higher in the year 2000 than the record flow in the year 1999; the Bank is anticipating a flow of up to USD 6 billion.

The lingering economic recession resulted in the continuing bad economic situation of Czech companies, and the growing number of bankruptcies. This had a negative impact on loan portfolios of large Czech banks, which practically maintained the same share of classified (especially loss) loans, in spite of enormous attempts for loan restructuring. The banks continued with increased creation of provisions and reserves for non-performing loans secured by real estate, according to the stricter criteria of CNB, and were very careful with providing new loans – with the logical exception of consumer loans. The banks will probably continue with this policy during the rest of the year 2000.

BUSINESS POLICY OF KOMERČNÍ BANKA

The most important transaction of Komerční banka in the first quarter of the year 2000 was the sale of non-performing assets, in the amount of CZK 60 billion, to Konsolidační banka Praha, s. p. ú. (state financial institution), through the subsidiary company Konpo, s. r. o. The sale of these receivables was carried out effective 25 March 2000. The Bank took out of its portfolio the balance sheet receivables classified as doubtful and loss in the amount of CZK 47.9 billion, the loans written off to the off-balance sheet in the amount of CZK 10.0 billion, and the securities issued by selected clients in the amount of CZK 2.1 billion; all in the nominal value. The subject of the transfer were loss and doubtful client loans, with the Bank's exposure exceeding CZK 5 million. The discounted value of collateral to the transferred receivables was CZK 32.1 billion; 77.4% of the collateral was in the form of real estate. The amount of created provisions for transferred balance sheet receivables was CZK 22.7 billion as at the day of the transfer. The Bank's assets were sold with a 40% discount, at the closing price of CZK 36.0 billion. By granting a loan with the maturity of 5 years, Komerční banka provided the refinancing of this transaction under usual market conditions. The refinancing agreement with Konsolidační banka Praha was closed on 23 March 2000. The impact of the transaction on the Bank's results in the first quarter of this year is described in the chapter "Profit and Loss Account".

On 22 March 2000, in Vienna, Komerční banka filed the first lawsuit against the company B. C. L. Trading, because of the company's long overdue obligations to the Bank, resulting from the letter of credit transactions.

Starting the beginning of this year, there have been several important changes in the top management of the Bank. On 16 February 2000 Mr. Jan Kollert resigned from his position of the Chairman of the Board of Directors and Chief Executive of the Bank. Mr. Peter Palečka, a member of the Board of Directors, was entrusted with the management of Komerční banka, until the appointment of a new Chairman of the Board of Directors. On 1 March 2000, Mr. Ladislav Vinický was removed from his position as a member of the Board of Directors, and the Supervisory Board accepted a resignation of Mr. Tomáš Doležal from his position of a member of the Board of Directors of the Bank. Mr. Radomír Lašák, previously Director of Financial Markets Division, was elected a new member of the Board of Directors of the Bank. During its extraordinary meeting on 2 March 2000, the Supervisory Board accepted a resignation of Mr. Miloslav Fiedler from his position of a member of the Supervisory Board, at the same time appointing Mr. Jiří Havel, the first Vice-Chairman of the National Property Fund of the Czech Republic, a member of the Supervisory Board. On 12 April 2000, the Supervisory Board elected Mr. Radovan Vávra a member of the Board of Directors, who assumed his position on 19 April 2000, when the Board of Directors of the Bank elected him the Chairman of the Board of Directors and the Chief Executive. The Supervisory Board accepted a resignation of another two members of the Board of Directors, Mr. Petr Budinský

and Mr. Jaroslav Mareš, as of 16 May 2000 and at the same time elected Mr. Tomas Spurny a member of the Board of Directors. On 24 May 2000, the Supervisory Board elected Mr. David Svojtka a member of the Board of Directors, effective as of 1 June 2000. On 30 May 2000 the Supervisory Board of Komerční banka elected Mr. Jiří Huml effective from 1 June and Mr. Michal Větrovský effective from 12 June as members of the Board of Directors.

On 31 May 2000 the Annual General Meeting elected Mr. Petr Dvořák and Mr. Filip Marco members of the Supervisory Board. The new members will replace Mr. Jan Stieß and Mr. Karel Malý who resigned from their posts. At the same time the shareholders confirmed Mr. Jiří Havel, the Chairman of the executed committee of the National Property Fund, as a member of the Supervisory Board. Mr. Jiří Havel had acted as a stand-in member of the Supervisory Board from March 2000.

On 28 February 2000, the Bank carried out an important transaction in securities trading, selling 56.3% of shares of IPS, a. s. The buyer - Středoevropská stavební, a. s. – paid for the shares a total of CZK 2.1 billion. The selling shareholders were: Komerční banka, funds managed by IKS KB, SIS, ŽB Trust, Penzijní fond KB and Flemings.

A new element in the product range of Komerční banka is so-called "Type portfolio". This is a capital market service representing an alternative way of better valorisation of clients' liquid funds to term and savings accounts. Type portfolio comprises of investments to IKS open shares funds, and another five funds.

For the clients of KB Express Line (telephone banking service), the Bank expanded its service for an option to arrange an unsecured overdraft on their accounts. Thus, clients may obtain a "loan" of up to several tens of thousands CZK within a couple of minutes.

Komerční banka, the second largest issuer of payment cards in the Czech Republic, and the first largest issuer of international payment cards, has already issued half a million payment cards. A novelty in this area is credit card that allows clients to access a credit of up to CZK 100 thousand, without any time limit. The credit card, Eurocard/MasterCard, is an embossed international personal payment card, issued for the time period of two years. It differs from the so far issued debit cards of Komerční banka by providing a permanent credit, which is drawn by using the card.

FINANCIAL RESULTS ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS

PROFIT AND LOSS ACCOUNT

For the first quarter of the year 2000, Komerční banka showed operating profit - that is, a *profit before provision for loan losses and income taxes*, in the amount of CZK 2.8 billion; this is a 54% improvement, as compared to the first quarter of last year. This positive outcome is a result of a year-on-year increase in net operating income by 10.7%, accompanied by more than a 15% decrease in total costs, as compared to the first quarter of 1999.

As already mentioned, the Bank's financial results were considerably impacted by the sale of non-performing receivables in the amount of CZK 60 billion to Konpo, s. r. o. The positive outcome from this transaction of CZK 10.1 billion was, for the most part - the amount of CZK 6.4 billion exactly - used for creation of general provisions. The remaining part was used to cover the income tax and to minimise the impact of creation of provisions during the first quarter of 2000.

The transaction with Konsolidační banka impacted mostly the creation of provision for loan losses in Profit and Loss Account, which, in comparison to the same period of last year, declined by 56.5%. On the other hand, income tax shows considerable growth, due to the taxation of extraordinary income from the sale of already written-off receivables.

All the mentioned facts resulted in the *net loss* of CZK 0.6 billion for the first quarter of this year.

Net interest income increased by 2.1% to CZK 2.9 billion in comparison with the first quarter of last year. This outcome reflects the fact that the decrease in paid interests (a decrease of 42.2%, in a year-on-year comparison) was bigger than the decrease in received interests (a decrease of 29.0%). The main reason for this trend was mostly the continuing reduction in interest rates, and partially also the change in the volume of loans and deposits. The reaction of Komerční banka to the reduction of market interest rates was that of a gradual decrease in its reference rate, reaching 7.6% as of 31 March 2000, which is lower by 2.0 percentage points than in 1999.

Net interest margin remained the same in the first quarter of the year 2000 - that is, 3.4%.

Net fees and commissions, in the amount of 0.9 billion CZK, declined by 14.4%, as compared to the first quarter of the last year, mostly due to the growth in fees paid to clients. The reason for the increased paid fees was mainly the fees, in the amount of CZK 145 million, paid in connection with the Crease transaction, which was initiated in the year 1998 with a renowned investment company to improve the quality of collateral securing the Bank's loan portfolio.

Komerční banka terminated this transaction as of 18 April 2000 by selling receivables to Konsolidační banka and the fee for early cancellation will show in the financial results for the second quarter of this year.

The proportion of net fees and commissions to the total net income as of 31 March 2000 represented 17.5 %.

The Bank has traditionally shown good results in dealing on the financial markets. The attained *dealing profit*, in the amount of CZK 1.1 billion, was achieved mainly by trading with securities, resulting in the Bank's net profit of CZK 0.6 billion. Bonds held in the Bank's portfolio largely contributed to the realised profit from securities; the sale of IPS shares mainly contributed to the profit from shares. The unrealised profit from securities was CZK 0.2 billion; the net profit from the sale of securities was CZK 0.4 billion.

The net profit from foreign exchange operations, in the amount of CZK 0.5 billion, was affected mainly by a revaluation of foreign currency derivatives to their real value.

Other income, in the total amount of CZK 0.5 billion, grew by 34.6%, as compared to the first quarter of 1999. The overwhelming part of this income is income from transactions of foreign exchange offices, showing a year-on-year growth of 3.6%.

The Bank continues to increase the share of non-interest income in its total net income. As of 31 March 2000, the share reached 46.2%, which – as compared to the first quarter of 1999 – represents a growth of 4.5 percentage points.

The result of effective cost management is a continuing decrease in *administrative expenses*, which, as compared to the first quarter of last year, was 5.0%. Administrative expenses reached the amount of CZK 2.0 billion as of 31 March 2000. Personnel expenses

in the amount of CZK 1.2 billion grew by 10% year-on-year, while other operating expenses showed a considerable decrease, which was a result both of the growth in extraordinary income, due to adjusted accounting of the last year income before tax in the amount of CZK 0.1 billion, and of decrease in extraordinary expenses.

Komerční banka continues to reduce the number of its employees. The average staff number declined year-on-year by 835 people, reaching the current level of 13,044 people. The reduced staff level is, besides other things, a result of the RAC project, which helped to reduce the number of employees at the Head Office of the Bank by 426 people during the first quarter.

Depreciation and other provisions declined by 40.2% compared to the first quarter of 1999.

Cost/income ratio as of 31 March 2000 was 47.9%, and is – compared to the same time period of the last year – lower by 14.7 percentage points. This result reflects the already mentioned strong year-on-year decrease in total costs, simultaneously with the year-on-year growth in total net income.

Provision for loan losses, in the amount of CZK 1.8 billion, declined by 56.4% year-on-year, which is the positive result of the mentioned sale of classified receivables to Konpo, s. r. o. Creation of provisions due to worsened loan portfolio, during the first quarter of the year 2000, reached the amount of CZK 3.4 billion.

BALANCE SHEET

Since the end of the year 1999, *total assets* have declined by CZK 12.6 billion - that is, by 3.3%, to its closing amount of CZK 377.5 billion.

The transaction with Konsolidační banka significantly affected the assets structure. Due to the decrease in the volume of loans to clients, and the refinancing loan provided to Konsolidační banka the share of inter-bank transactions strengthened at the cost of the share of client transactions.

ASSETS

The reason for the decrease in *cash and balances with the central bank* by 26.8% - to CZK 16.1 billion - during the first quarter of 2000 was mainly the decrease in cash kept at the end of the year in connection with the Bank's preparation for potential clients' reaction to the Y2K issue. Furthermore, the lower need for cash affected also the growing share of non-cash payments, which the Bank intentionally supports by its fee policy.

Due from financial institutions were CZK 170.6 billion as of 31 March 2000, which represents a 29.5% increase, as compared to the end of 1999. The reason for this increase is the loan, in the amount of CZK 36.0 billion, granted to Konsolidační banka for refinancing the receivables purchased from Komerční banka by the subsidiary company, Konpo, s. r. o.

The volume of *treasury bills and other bills* was CZK 1.9 billion as of 31 March 2000, which represents a decrease of 57.5%, as compared to the year 1999. The reason is high fluctuation in clients' demand for these assets.

The overall volume of *loans and advances to customers* declined by 21.6%, as compared to the end of 1999, to the net value of CZK 142.5 billion as of 31 March 2000. There are several reasons for this trend. The most important factor affecting the volume of client loans was the sale of loss and doubtful loans from the balance sheet, in the net amount of CZK 25.2 billion. Another factor causing the decline in client loans was the lasting bad financial situation of many clients, lack of quality business plans, and the Bank's prudent policy. This resulted in a lower volume of newly provided loans, approximately by CZK 2 billion, as compared to the first quarter of 1999. During the first three months of the year 2000, the Bank wrote off loss loans, in the amount of CZK 3.1 billion, to the off-balance sheet. This concerned non-banking receivables, fully covered by provisions – thus, their write-off did not affect the expenses of the Bank. The total amount of receivables written off to the off-balance sheet, with the possibility of further recovery, was CZK 24.2 billion, as of 31 March 2000.

At the end of the first quarter of the year 2000, the loan portfolio of the Bank was comprised of 93.2% of business loans, 4.9% of mortgage loans, and 1.9% of consumer loans.

Since the end of the year 1999, the proportion of loss loans to the total client loans has decreased by 15.9 percentage points, to 5.7% of all granted loans; the proportion of doubtful loans declined by 1.8 percentage points. Standard and watch loans represented 85.0% of total loan portfolio at the end of the first quarter of 2000. During the first quarter the Bank granted new loans in the amount of CZK 13.0 billion which is by approximately CZK 2 billion lower as compared to the same period of the last year. More than 94 % of these loans were classified in standard and watch categories.

There was an important change in the volume of *securities in the dealing and investment portfolios*, amounting to CZK 22.5 billion, due to a transfer of bonds and shares within the banking portfolio, with the goal to optimise the expenses and revenues of individual portfolios. The share of bonds in the dealing portfolio exceeds 70%, and, in the investment portfolio, 84%.

LIABILITIES

As of 31 March 2000 *amounts owed to financial institutions* reached CZK 48.3 billion, which represents a decline by 17.3%, as compared to the end of 1999.

Amounts owed to customers have declined by 1.5%, to CZK 255.3 billion, as compared to the end of 1999. The reason is that due to lower interest rates, the clients prefer more sophisticated forms of investments with higher yield, such as participation certificates of investment funds.

The value of *subordinated debt* went up by 3.5%, as compared to 31 December 1999, due to the change in the exchange rate of USD to CZK, reaching CZK 7.4 billion at the end of the first quarter of 2000.

At the end of March of this year, *total shareholders' equity* was CZK 19.6 billion, which represents an increase of 10.1%, as compared to the end of 1999. This item went up by the remaining increase of the share capital subscribed at the end of the first round of subscription - that is, by CZK 0.3 billion, and by the remaining increase subscribed in the second round by the National Property Fund of the Czech Republic, in the amount of CZK 2.1 billion. Thus, the share capital reached CZK 19.0 billion. The proportion of own funds in total assets was 5.2% as of 31 March 2000.

As of 31 March 2000, the capital adequacy ratio of the Bank under the BIS methodology was 13.42%, which represented an increase of 3.16 percentage points, as compared to the end of 1999. The capital adequacy favourably reflected both the sale of

receivables to Konpo, s. r. o., and the remaining increase the share capital after 31 December 1999. Under the CNB methodology the capital adequacy ratio reached the value of 13.09%.

SHAREHOLDER STRUCTURE

Major shareholders of Komerční banka with over 1% of the share capital
(as of 31 March 2000)

Shareholder	Proportion of the share capital (in %)
FOND NÁRODNÍHO MAJETKU ČESKÉ REPUBLIKY (NATIONAL PROPERTY FUND OF THE CZECH REPUBLIC)	60.001 %
THE BANK OF NEW YORK ADR DEPARTMENT *)	11.742 %
BANK AUSTRIA AG	2.525 %
INVESTIČNÍ A POŠTOVNÍ BANKA, A. S.	2.016 %
CHASE NOMINEES LIMITED	1.852 %
STATE STREET BANK AND TRUST COMPANY	1.825 %
OTHER SHAREHOLDERS	20.039 %

*) 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.

During the first quarter of the year 2000, the concentration of the share ownership of the Bank continued, because the total number of shareholders declined by 3.5%, to 70,244 shareholders. As of 31 March 2000, 354 legal entities, which is 0.5% of the total number of shareholders, and 69,890 private individuals held the shares of Komerční banka. The legal entities hold almost 36,000 shares, having 94.3% of the Bank's share capital. The remaining percentage represents the shares held by private individuals.

Starting the beginning of this year, the number of domestic shareholders slightly declined, yet they still form more than 90% of the total number of shareholders. Their share on Komerční banka's share capital increased by 3.5%, to 72.3%, during the first three months of this year. The shares, held by 6,406 foreign shareholders, represent 27.7% of the Bank's share capital. In connection with the increase in the share capital, there were also changes in the shares of the largest shareholders of the Bank. The National Property Fund of the Czech Republic increased its share in Komerční banka from 48.7 % to 60.0 %, thanks to the subscription of new shares. The second largest shareholder, The Bank of New York ADR Department, increased its number of held shares by more than 33% - however, its share on the Bank's share capital decreased by 5.9 percentage points, to 11.7%.

**KOMERČNÍ BANKA'S PROFIT AND LOSS ACCOUNT
ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS
(in CZK million)**

Item	31 March 2000 (Unaudited)	31 March 1999 (Unaudited, Restated)
Interest income	6,711	9,451
Interest expense	(3,829)	(6,628)
Net interest income	2,882	2,823
Net fees and commissions	937	1,095
Dealing profits / (losses)	1,064	571
Other income	474	353
Net operating profit	5,357	4,842
Administrative expenses	(2,041)	(2,149)
Depreciation and other provisions	(527)	(882)
Profit / (loss) before provision for loan losses and income taxes	2,789	1,811
Provision for loan losses	(1,800)	(4,133)
Profit / (loss) before income taxes	989	(2,322)
Income taxes	(1,600)	(3)
Net profit / (loss) for the period	(611)	(2,325)

KOMERČNÍ BANKA'S BALANCE SHEET
ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS
(in CZK million)

Item	31 March 2000	31 December 1999
	(Unaudited)	(Audited)
Assets		
Cash and balances with the central bank	16,058	21,948
Due from financial institutions	170,596	131,778
Treasury bills and other bills eligible for refinancing	1,869	4,397
Loans and advances to customers (net)	142,547	181,754
Dealing securities	4,347	11,701
Prepayments, accrued income and other assets	5,821	9,381
Investment securities	18,160	10,680
Investments in subsidiaries and associates	4,180	4,176
Tangible and intangible fixed assets (net)	13,899	14,307
Total assets	377,477	390,122
Liabilities		
Amounts owed to financial institutions	48,293	58,394
Amounts owed to customers	255,327	259,191
Certificated debts	25,892	27,742
Accruals, provisions and other liabilities	20,949	19,823
Subordinated debt	7,450	7,196
Total liabilities	357,911	372,346
Shareholders' equity		
Share capital	19,005	16,604
Share premium and reserves	561	1,172
Total shareholders' equity	19,566	17,776
Total liabilities and shareholders' equity	377,477	390,122

**KOMERČNÍ BANKA'S PROFIT AND LOSS ACCOUNT
ACCORDING TO THE METHODOLOGY OF THE CZECH BANKS
(in CZK million)**

Item	31 March 2000	31 March 1999
1. Interest income and similar income	7,201.5	10,847.5
of which: interest income from fixed income securities	458.5	724.8
2. Interest expense and similar expenses	(4,244.8)	(8,026.3)
of which: interest expense on fixed income securities	(545.8)	(948.8)
3. Income from variable yield securities	119.9	0.0
a) income from shares and other variable yield securities	0.0	0.0
b) income from investments in associated undertaking	119.9	0.0
c) income from investments in subsidiary undertaking	0.0	0.0
d) income from investments	0.0	0.0
4. Fee and commission income	1,158.1	1,160.1
5. Fee and commission expense	(220.6)	(64.8)
6. Profit / (loss) from financial operations	1,354.8	55.8
7. Other income	35,951.1	796.1
8. General operating costs	(2,371.2)	(2,248.9)
a) staff costs	(1,133.9)	(1,030.1)
aa) salaries and wages	(836.7)	(757.6)
ab) social insurance	(255.6)	(226.8)
ac) health insurance	(41.6)	(45.7)
b) other operating costs	(1,237.3)	(1,218.8)
9. Creation of reserves and provisions for tangible and intangible assets	0.0	0.0
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
10. Use of reserves and provisions for tangible and intangible assets	0.0	0.0
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
11. Other costs	(51,650.5)	(5,859.7)
12. Creation of reserves and provisions for loans and guarantees	(16,137.7)	(6,539.0)
13. Use of reserves and provisions for loans and guarantees	29,762.1	7,196.8
14. Creation of reserves and provisions for fixed asset investments and other financial investments	(911.2)	0.0
15. Use of reserves and provisions for fixed asset investments and other financial investments	103.8	17.6
16. Creation of other provisions and reserves	0.0	(209.7)
17. Use of other provisions and reserves	768.3	1,030.2
18. Income tax from current activities	(1,600.0)	(2.5)
19. Extraordinary income	144.8	43.1
20. Extraordinary costs	(33.9)	(146.0)
21. Income tax from extraordinary activities	0.0	0.0
22. Profit or loss from extraordinary activities after tax	110.9	(102.9)

23. PROFIT OR LOSS FOR ACCOUNTING PERIOD	(605.5)	(1,949.7)
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**KOMERČNÍ BANKA'S BALANCE SHEET ACCORDING TO
THE METHODOLOGY OF THE CZECH BANKS
(in CZK million)**

ASSETS

	Item	31 March 2000	31 December 1999
1.	Cash in hand, deposits with central banks, post checking accounts	15,099.4	20,381.0
2.	Treasury bills and other bills	48,787.3	48,524.9
a)	treasury bills and similar bonds issued by the state	969.4	4,395.7
b)	other bills	47,817.9	44,129.2
3.	Amounts due from banks	172,455.0	133,344.4
a)	payable on demand	90.0	1,383.0
b)	other receivables	172,365.0	131,961.4
	of which: subordinated assets	0.0	0.0
4.	Amounts due from clients	151,043.2	183,643.9
a)	payable on demand	365.4	431.6
b)	other receivables	150,677.8	183,212.3
	of which: subordinated assets	0.0	0.0
5.	Bonds and other fixed income securities for trading	4,989.9	12,537.2
a)	issued by banks	1,698.3	3,396.8
	of which: own bonds	1,100.9	323.5
b)	issued by other subjects	3,291.6	9,140.4
6.	Shares and other variable yield securities for trading	317.9	537.1
7.	Fixed asset investments in associated undertakings	2,763.5	2,763.5
a)	in banks	280.0	280.0
b)	in other entities	2,483.5	2,483.5
8.	Fixed asset investments in subsidiary undertakings	1,718.2	1,714.1
a)	in banks	472.0	467.9
b)	in other entities	1,246.2	1,246.2
9.	Other financial investments	18,470.1	10,990.0
10.	Intangible assets	851.6	857.0
a)	expenses of foundation	0.0	0.0
b)	goodwill	0.0	0.0
11.	Tangible assets	12,693.1	13,036.1
a)	land and buildings for banking activities	9,621.3	9,703.1
b)	other	3,071.8	3,333.0
12.	Own shares	16.7	10.4
13.	Other assets	2,586.6	2,276.1
14.	Subscribed capital called-up and not paid	0.0	1,390.2
15.	Prepayments and accrued income	4,864.8	7,104.4
	TOTAL ASSETS	436,657.3	439,110.3

LIABILITIES
(in CZK million)

	Item	31 March 2000	31 December 1999
1.	Amounts due to banks	96,160.4	102,582.9
a)	payable on demand	4,732.0	6,865.9
b)	other	91,428.4	95,717.0
2.	Amounts due to clients	255,327.3	259,191.3
a)	savings deposits	28,704.1	30,481.2
	of which: payable on demand	1,735.2	1,733.8
b)	other amounts due to clients	226,623.2	228,710.1
	of which: payable on demand	94,886.0	109,154.4
3.	Certificates of deposit and similar debentures	28,500.7	30,500.7
a)	certificates of deposit	0.7	0.7
b)	other	28,500.0	30,500.0
4.	Accruals and deferred income	3,307.7	4,927.1
5.	Reserves	11,010.1	7,020.3
a)	reserves for standard loans and guarantees	5,859.3	5,756.3
b)	reserves for foreign exchange rate losses	0.0	631.2
c)	reserves for other banking risks	0.0	137.0
d)	other reserves	5,150.8	495.8
6.	Subordinated liabilities	7,449.8	7,195.8
7.	Other liabilities	15,290.7	9,866.6
8.	Share capital	19,004.9	16,604.3
	of which: share capital paid-up	19,004.9	15,214.0
9.	Share premium fund	6,008.0	6,008.0
10.	Reserve funds	2,463.2	2,421.2
a)	obligatory reserve funds	1,903.0	1,903.0
b)	reserve funds for own shares	60.0	18.0
c)	other reserve funds	500.2	500.2
11.	Capital funds and other funds from profit	1,513.1	1,565.2
a)	capital funds	0.3	0.3
b)	other funds from profit	1,512.8	1,564.9
12.	Retained earnings and not compensated loss of previous periods	(8,773.1)	468.9
13.	Profit or loss for the accounting period	(605.5)	(9,242.0)
	TOTAL LIABILITIES	436,657.3	439,110.3

OFF-BALANCE SHEET
(in CZK million)

	Item	31 March 2000	31 December 1999
1.	Total future potential liabilities	26,682.6	29,032.7
	of which:		
a)	received bills of exchange / acceptances and endorsements of bills of exchange	307.9	375.1
b)	commitments from guarantees	26,374.7	28,657.6
c)	commitments from collateral	0.0	0.0
2.	Other irrevocable commitments	19,167.1	15,695.4
3.	Receivables from spot, forward and option operations	261,626.6	250,827.0
4.	Liabilities from spot, forward and option operations	260,664.0	246,470.9