

## Income statements

		The Group		The bank	
Amounts in SEK M	Note	1990	1989	1990	1989
OPERATING INCOME					
Net interest income	1	8,698	6,653	6,263	5,530
Net leasing income	2	377	176	–	–
Commissions, fees and foreign exchange income	3	2,328	1,772	1,332	1,116
Capital gains on bonds		–14	27	–76	47
Other operating income	4	485	369	57	92
Total operating income		11,874	8,997	7,576	6,785
OPERATING COSTS					
Personnel costs	5	2,282	1,568	1,509	1,162
Other running costs	6	4,028	3,323	3,112	2,770
Depreciation	7	466	178	130	101
Total running costs		6,776	5,069	4,751	4,033
Lending losses	8	4,243	692	2,164	515
Total operating costs		11,019	5,761	6,915	4,548
Operating profit		855	3,236	661	2,237
Extraordinary income	9	171	19	91	0
Extraordinary costs	9	–1,025	–52	–108	–155
Profit before appropriations		1	3,203	644	2,082
Minority share of profit		–66	–43	–	–
Profit before appropriations and taxes excluding minority share		65	3,160	644	2,082
Shareholders' contribution		–	–	–64	–
Withdrawn from investment reserve		–	5	–	–
Withdrawn from development reserve		1	5	1	3
Extra depreciation		–596	–483	10	18
Other allocations to untaxed reserves		–41	–	–	–
Pension adjustment	10	179	141	144	141
Recovery from untaxed reserve for lending		–	129	–	–
Appropriation to untaxed reserve for lending		–844	–1,057	–599	–925
for bonds		–227	–629	–	–325
Profit before taxes		–1,593	1,271	136	994
Taxes	11	454	–566	–	–477
Net profit		–1,139	705	136	517

# Balance sheets

		The Group		The Bank	
Amounts in SEK M	Note	Dec. 31 1990	Dec. 31 1989	Dec. 31 1990	Dec. 31 1989
<b>ASSETS</b>					
Cash balance	12	3,558	1,972	2,705	1,966
Deposited in Swedish financial institutions	13	46,773	27,833	60,032	33,804
Deposited in foreign banks	14	19,074	16,741	26,102	22,717
Money market instruments and other securities	15	3,701	9,648	2,084	1,655
Government securities and bonds	16	41,619	28,717	23,356	19,362
Lending	17	271,749	210,162	162,596	148,892
Equipment leased to clients	18	4,577	4,163	—	—
Shares, current assets	19	178	131	26	31
Shares, fixed assets	20	180	617	10,530	4,824
Furniture, fixtures and equipment	21	565	346	358	223
Real estate	22	1,573	945	10	42
Other assets	23	17,384	10,804	7,963	5,445
<b>Total assets</b>		<b>410,931</b>	<b>312,079</b>	<b>295,762</b>	<b>238,961</b>
Receivables from Group companies		—	—	31,485	24,060
Assets pledged	24	4,919	931	8	14
<b>Total lending commitments</b>		<b>310,180</b>	<b>224,800</b>	<b>190,964</b>	<b>177,713</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Bank drafts		505	307	331	307
Deposits	25	171,699	122,953	124,410	116,214
Money market instruments		13,376	3,938	21	119
Due to Swedish financial institutions	26	36,693	22,924	18,006	22,770
Due to foreign banks	27	89,113	72,819	106,140	63,589
Other debt instruments issued abroad		3,951	2,208	3,951	2,208
Long-term borrowing	28	52,036	44,425	17,870	12,989
National public savings, net	29	673	684	680	684
Reserve for possible lending losses	30	4,306	1,307	1,742	856
Other liabilities	31	22,415	24,313	7,934	4,756
Minority interests	32	136	50	—	—
<b>Total liabilities</b>		<b>394,903</b>	<b>295,928</b>	<b>281,085</b>	<b>224,492</b>
Untaxed reserves for lending and foreign currencies	33	10,835	9,988	9,550	8,951
Other untaxed reserves	34	1,449	812	13	24
<b>Total untaxed reserves</b>		<b>12,284</b>	<b>10,800</b>	<b>9,563</b>	<b>8,975</b>
<b>Shareholders' equity</b>	35	<b>3,744</b>	<b>5,351</b>	<b>5,114</b>	<b>5,494</b>
<b>Total liabilities and shareholders' equity</b>		<b>410,931</b>	<b>312,079</b>	<b>295,762</b>	<b>238,961</b>
Liabilities to Group companies		—	—	28,133	27,717
Guarantees	36	17,322	19,783	37,645	40,890
Unutilized documentary credit facilities		2,721	4,265	2,422	2,627
<b>Other contingent liabilities</b>		<b>4,379</b>	<b>3,427</b>	<b>3,941</b>	<b>2,701</b>

Pension liabilities in the Bank are covered by its pension funds (see Note 10).

# Notes to the Financial Statements

## Note 1. Net interest income

The Group	1990			1989		
	Interest SEK M			Interest SEK M		
INTEREST INCOME						
Lending to the public	33,874			20,861		
Lending to banks	3,437			5,484		
Bonds and government securities	5,133			3,666		
Other interest income	318			241		
Total interest income	42,762			30,252		
INTEREST COSTS						
Deposits from the public	17,108			11,212		
Borrowing from banks	14,831			9,176		
Other interest costs	2,125			3,211		
Total interest costs	34,064			23,599		
Net interest income	8,698			6,653		
The Bank	1990			1989		
	Average balance SEK M	Interest SEK M	Interest %	Average balance SEK M	Interest SEK M	Interest %
ASSETS						
Cash balances and compulsory cash reserves	3,305	—	—	3,008	—	—
Deposited in Swedish banks <sup>1)</sup>	24,788	2,952	11.91	14,056	1,561	11.10
Deposited in foreign banks	15,588	2,001	12.83	14,955	1,389	9.29
Government securities and bonds	26,694	2,832	10.61	24,772	2,593	10.47
Lending <sup>2)</sup>						
in Swedish kronor	70,015	10,916	15.59	69,591	9,441	13.57
in foreign currencies	90,714	8,833	9.74	51,844	4,611	8.89
Other assets	9,260	11	—	3,555	-6	—
A. Total investments	240,364	27,545	11.46	181,781	19,589	10.77
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits <sup>3)</sup>						
in Swedish kronor	76,515	6,994	9.14	71,399	5,746	8.05
in foreign currencies	39,052	3,423	8.77	24,719	2,211	8.94
Due to Swedish banks <sup>4)</sup>	18,572	2,216	11.93	16,519	1,581	9.57
Due to foreign banks	70,905	7,259	10.24	38,261	3,386	8.85
Long-term borrowing	14,667	1,386	9.45	12,462	1,116	8.96
Other liabilities	4,409	4	—	4,347	19	—
Total borrowed funds	224,120	21,282	9.50	167,707	14,059	8.38
Shareholders' equity and untaxed reserves	16,244	—	—	14,074	—	—
B. Total liabilities and shareholders' equity	240,364	21,282	8.85	181,781	14,059	7.73
Net interest income	6,263			5,530		
Overall interest margin (A minus B), %						
Average Riksbank official discount rate, %						

<sup>1)</sup> Including other banks' money market instruments.

<sup>2)</sup> Lending to the public and to financial institutions other than banks.

<sup>3)</sup> Deposits from the public and from financial institutions other than banks, plus the Bank's own certificates of deposit.

<sup>4)</sup> Borrowing in the call money market.

Note 2. Net leasing income (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Leasing fees	835	722	–	–
Less depreciation on equipment leased to clients	–458	–546	–	–
Net leasing income	377	176	–	–

Note 3. Commissions, fees and foreign exchange income (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Domestic lending	357	332	222	257
Securities business	731	555	216	185
Trust and legal business	118	34	38	33
Other domestic business	564	488	418	367
International business	558	363	438	274
	2,328	1,772	1,332	1,116

Note 4. Other income (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Net income from real estate	187	138	–1	–1
Dividends on share of Group-related companies	23	23	15	22
Withdrawal of negative goodwill	87	83	–	–
Miscellaneous	188	125	43	71
	485	369	57	92

Note 5. Personnel costs (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Salaries and fees	1,514	1,025	982	739
Pension costs	98	71	66	50
Social welfare contributions	527	353	372	288
Other personnel costs	143	119	89	85
	2,282	1,568	1,509	1,162
Salaries and fees:				
To Board of Directors and senior executives	61	43	11	8
To other employees in Sweden	1,287	840	953	724
To other employees outside Sweden	166	142	18	7
	1,514	1,025	982	739
Pension costs:				
Imputed premiums	73	44	57	44
Premiums paid	25	27	9	6
	98	71	66	50
Number of hours worked (thousands)			8,983	6,581
AVERAGE NUMBER OF EMPLOYEES IN THE GROUP	1990	1989		
Nordbanken	5,722	4,192		
Nordbanken Finans	200	199		
Carnegie Fondkommission	308	188		
Nordbanken Luxembourg	71	72		
English Trust	56	85		
Nordbanken Hypotek	71	62		
Other units	367	329		
	6,795	5,127		
Of which, outside Sweden	397	375		

The information on distribution of personnel and salaries by country and workplace stipulated in the Swedish Banking Companies Act is not included in this printed Annual Report. It can be obtained upon request from the Bank's Personnel Department.

Note 6. Other running costs (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Costs of premises	547	437	390	356
Compensation to Sweden Post	1,336	1,220	1,277	1,186
Postage and telephone	345	290	292	265
Rental and maintenance of machinery	296	252	217	163
Stationery and office supplies	82	72	59	59
Transaction fees (Bank Giro Services etc.)	178	150	178	150
Marketing costs	207	207	151	108
Miscellaneous	1,037	695	548	483
	4,028	3,323	3,112	2,770

Note 7. Depreciation (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Furniture, fixtures and equipment	216	131	130	101
Real estate	34	20	-	-
Goodwill	216	27	-	-
	466	178	130	101

Note 8. Lending losses (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
The year's incurred losses	1,087	547	851	306
Recovered on receivables previously written off	-77	-96	-50	-56
The year's provision for possible losses				
- foreign lending risks	419	55	314	55
- other possible losses	2,889	288	1,069	252
Reversal of provisions for possible losses				
- foreign lending risks	-8	-10	-8	0
- other possible losses	-67	-92	-12	-42
	4,243	692	2,164	515

Note 9. Extraordinary items (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
INCOME				
Capital gains on sale of shares	107	0	31	0
Capital gains on sale of real estate	61	5	60	-
Other extraordinary income	3	14	-	-
	171	19	91	0
COSTS				
Group contributions provided	-	-	-	150
Stamp duty for new share issues and stock dividends	-	5	-	5
Discontinuation costs etc in foreign subsidiaries	874	40	-	-
Merger costs	97	-	93	-
Other extraordinary costs	54	7	15	0
	1,025	52	108	155

Note 10. Pension adjustment (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Imputed pension premiums (income)	73	44	57	44
Pensions disbursed	-42	-31	-33	-31
Compensation from pension fund	148	128	120	128
	179	141	144	141

Financial position of pension funds	Current value of assets		Pension liabilities	
	1990	1989	1990	1989
Nordbanken Pension Fund I	1,407	1,888	924	745
Nordbanken Pension Fund II*	631	(644)	289	(270)
	2,038		1,213	

Calculated according to valuation principles specified in labor law, the assets of the pension funds totaled SEK 1,514 M in 1990.

\* Transferred from Norra Nordbanken during 1990 at the same time as Nordbanken assumed responsibility for that bank's pensions.

Note 11. Taxes (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Income tax	-453	282	-	223
Profit-sharing tax and temporary dividend tax	-1	284	-	254
	-454	566	-	477

The income item under "Taxes" in the 1990 Group accounts was attributable to the withdrawal of a deferred tax liability.

Note 12. Cash balance (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Bank notes and coins	1,844	1,298	1,552	1,293
Checks and bank drafts	1,714	674	1,153	673
	3,558	1,972	2,705	1,966

Note 13. Deposits in Swedish financial institutions (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
The Riksbank	2,921	2,521	2,129	1,994
Commercial banks	12,674	14,788	27,916	13,173
Others	31,178	10,524	29,987	18,637
Total	46,773	27,833	60,032	33,804
Of which, unsettled claims (cf. Note 17)	1,900	..	700	..

Of the sum deposited in the Riksbank by the parent Bank, SEK 2,129 M (SEK 1,994 M) consisted of compulsory cash reserves. The Group accounts included SEK 2,817 M (SEK 2,124 M) in compulsory cash reserves.

Note 14. Deposited in foreign banks (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
In foreign currencies	16,958	12,829	24,443	20,012
In Swedish kronor	2,116	3,912	1,659	2,705
Total	19,074	16,741	26,102	22,717
Of which, unsettled claims (cf. Note 17)	500	..	300	..

Note 15. Money market instruments and other securities (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Other banks' money market instruments	1,286	2,092	-	-
Miscellaneous	2,415	7,556	2,084	1,655
	3,701	9,648	2,084	1,655

Note 16. Government securities and bonds (SEK M)	The Group			The Bank		
	Market value 1990	Acqui- sition value 1990	Acqui- sition value 1989	Market value 1990	Acqui- sition value 1990	Acqui- sition value 1989
Treasury discount notes	5,207	5,552	3,613	671	671	77
Government bonds	7,211	7,706	4,100	6,211	6,585	3,139
Housing bonds	18,676	19,666	13,134	12,205	12,983	12,613
Other Swedish bonds	5,853	5,833	4,688	1,788	1,845	1,763
Foreign bonds	6,315	6,466	6,560	3,497	3,555	4,053
Total	43,262	45,223*	32,095	24,372	25,639*	21,645
Minus untaxed reserve for bonds		-3,604	-3,378		-2,283	-2,283
Net book value		41,619	28,717		23,356	19,362
Reserve against market value		1,643	2,097		1,016	1,076
Ditto, taking into account surplus value/deficit on forward contract transactions etc in Nordbanken and Norra Nordbanken		1,368	1,684		1,029	663

\* Including SEK 543 M (Group) and SEK 298 M (Bank) in subordinated debentures.

Breakdown of parent Bank's Swedish interest-bearing bond portfolio in 1990 by remaining maturity, par value in SEK M:

< 1 year	3,288
1- 5 years	10,219
6-10 years	4,038
> 10 years	4,037
Total per value	21,582
Average remaining maturity:	5.2 years (6.2)
Average remaining period until interest rate adjustment/redemption:	3.0 years (3.4)
Average coupon rate as a percentage of acquisition value:	11.07 % (10.75)

Note 17. Lending (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
In Swedish kronor	161,571	124,018	69,995	73,041
In foreign currencies	110,178	86,144	92,601	75,851
Total	271,749	210,162	162,596	148,892
Of which, unsettled claims	6,500	..	2,700	..

In keeping with the regulations of the Swedish Bank Inspection Board, effective from 1990 the accounts provide information on the amount of unsettled claims connected with lending to the public and lending to Swedish and foreign financial institutions. Unsettled claims consist of claims related to bankruptcies and civil suits for recovery, claims on which the borrower has sought protection from creditors, and claims on which interest/principal are unpaid more than two months after the due date (the latter case includes only the loan amount in question, not the

borrower's total commitment). Unsettled claims in the Group connected with lending to the public and with lending to financial institutions totaled SEK 8.9 billion at yearend 1990. It should be noted that this amount is not a yardstick of future lending losses. Unsettled claims also include lending with satisfactory collateral. All known loss risks have already been taken into account by means of a direct writedown or a provision to reserves for possible losses; loss reserves totaled SEK 4.3 billion at yearend.

Note 18. Equipment leased to clients (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Acquisition value (incl. leasing deposit)	6,492	5,233	-	-
Accumulated depreciation	-1,915	-1,070	-	-
Net book value	4,577	4,163	-	-
Accumulated extra depreciation	-1,367	-738	-	-
Net value	3,210	3,425	-	-

Note 19. Shares, current assets (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Share inventory in brokerage business	176	130	24	30
Shares in process of being issued	2	1	2	1
	178	131	26	31

Dividends paid on the Bank's share inventory in the brokerage business amounted to SEK 0.7 M (0.4).

Note 20. Shares, fixed assets		The Bank 1990			
		Par value in millions of resp. currency	Book value SEK M	Divi- dend SEK M	The Bank's voting power, %
<b>A. SUBSIDIARIES</b>					
Subsidiaries in Sweden					
Norra Nordbanken	SEK	467.3	4,346.0	—	100.0
Nordbanken Företagskredit AB	SEK	1,170.0	2,604.8	—	100.0
Nordbanken Finans AB	SEK	100.0	950.0	—	100.0
Ditto, debt certificates	SEK	85.0	85.0	—	—
Carnegie Fondkommission AB	SEK	200.0	616.0	—	100.0
Nordbanken Fastigheter AB	SEK	338.0	337.8	—	100.0
Nordbanken Hypotek AB	SEK	70.0	170.0	—	100.0
Nordbanken Kredit AB	SEK	25.0	138.6	—	100.0
Nordbanken Partner AB	SEK	100.0	100.1	—	100.0
Svensk Fastighetsförmedling Kundservice AB	SEK	10.0	44.0	—	100.0
Securum AB	SEK	5.0	5.0	—	100.0
Nordbanken Inkasso AB	SEK	0.5	2.2	—	100.0
Nordbanken Fonder AB	SEK	1.0	1.0	—	100.0
Nordbanken Reklam AB	SEK	0.4	0.4	—	75.0
AB Pundet	SEK	0.3	0.1	—	100.0
Total subsidiaries in Sweden			9,401.0	—	—
Subsidiaries abroad					
English Trust Group PLC	GBP	5.2	380.2	—	100.0
Nordbanken Luxembourg S.A.	LUF	1,515.0	210.0	—	100.0
Nordbanken Finland OY	FIM	50.0	114.1	—	100.0
Nordbanken US Corporation	USD	7.5 <sup>^</sup>	104.2	—	100.0
Svenska Nordbanken A.S., Oslo	NOK	100.0	93.8	—	100.0
Nordbanken South East Asia Ltd.	SGD	25.0	83.6	—	100.0
Nord Securities Ltd., Hong Kong	HKD	30.0	14.9	—	100.0
Nordbanken Reinsurance S.A., Luxembourg	LUF	50.0	8.1	—	100.0
Total subsidiaries abroad			1,008.9	—	—
Total subsidiaries			10,409.9	—	—

During 1990 the value of shares in the following companies were written up in accordance with Chapter 4, Section 5 of the Swedish Banking Companies Act: Nordbanken Finans, by SEK 900 M; Nordbanken Företagskredit, by SEK 500 M; and Nordbanken Hypotek, by SEK 100 M. The total write-up amount, SEK 1,500 M, was used for a write-down of the Bank's holding in Norra Nordbanken due to the trend of earnings in this company.

#### B. SWEDISH FINANCIAL INSTITUTIONS

AB Svensk Exportkredit	SEK	74.6	75.5	12.6	10.0
AB Industrikredit	SEK	7.6	8.7	2.0	10.8
Företagskapital AB	SEK	1.4	1.5	0.2	7.0
			85.7	14.8	

#### C. FOREIGN FINANCIAL INSTITUTIONS

Crédit Lyonnais/PK Airfinance S.A.	USD	3.0	17.8	—	15.0
CL/PKLeasing GmbH, Frankfurt	DEM	0.4	1.3	—	15.0
			19.1	—	



#### D. OTHER SHARES AND PARTICIPATIONS

Penningmarknadscentralen, PmC AB	SEK	3.0	4.5	--	0.5
Bankernas PmC Holdingbolag AB	SEK	0.2	2.0	--	16.7
IPS International Payment Service AB	SEK	2.5	2.5	--	50.0
Bankgirocentralen BGC AB	SEK	0.5	0.5	--	9.1
Penningmarknadsinformation PMI AB	SEK	0.4	0.4	--	8.8
Bankomatcentralen AB	SEK	0.2	0.2	--	40.0
Upplysningscentralen UC AB	SEK	0.1	0.2	--	12.5
Other companies			0.3	--	
Shares in cooperative housing associations			4.4	--	
			15.0	--	

Total shares, fixed assets, Parent Bank 10,529.7 14.8

#### E. HOLDINGS OF SUBSIDIARIES

Penningmarknadscentralen, PmC AB	SEK	3.0	4.5	--	0.5
Fondhandelns PmC Holdingbolag AB	SEK	0.1	1.1	--	9.1
Fastighets AB Celtica	SEK	15.7	15.7	--	12.0
AB Borlänge Centrum	SEK	1.1	1.1	--	33.0
Viking Finance Ltd	HKD	2.5	1.8	--	50.0
Stewart Underwriting Plc	GBP	0.5	4.1	--	0.5
Other companies*			12.5	--	
Shares in cooperative housing associations			18.8	--	
			59.6	--	

\* A list of shareholdings of subsidiaries may be obtained upon request from the Bank's Economic Planning and Accounting Service.

Note 21. Furniture, fixtures and equipment (SEK M)		The Group		The Bank	
		1990	1989	1990	1989
Residual value		565	346	358	223
Less accumulated extra depreciation		-18	-20	-10	-20
Net value		547	326	348	203

Note 22. Real estate (SEK M)		The Group		The Bank	
		1990	1989	1990	1989
Acquisition value		1,780	1,112	10	42
Less accumulated depreciation		-207	-167	--	--
Net book value		1,573	945	10	42
Assessed value (tax purposes)		1,032	1,022	4	3

Note 23. Other assets (SEK M)		The Group		The Bank	
		1990	1989	1990	1989
Accrued interest income		9,561	5,918	5,898	4,025
Tax claim		580	130	580	130
Group goodwill		2,335	199	--	--
Miscellaneous		4,908	4,557	1,485	1,290
		17,384	10,804	7,963	5,445

Note 24. Assets pledged (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Real estate mortgages	21	21	–	–
Leasing contracts	–	282	–	–
Securities etc	260	628	8	14
	281	931	8	14

Note 25. Deposits (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Deposits in Swedish kronor	109,697	83,129	87,447	80,616
Deposits in foreign currencies	62,002	39,824	36,963	35,598
	171,699	122,953	124,410	116,214

Deposits in foreign currencies included SEK 22,601 M (SEK 24,816 M) in commercial paper.

Note 26. Due to Swedish financial institutions (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Commercial banks	24,377	12,118	8,483	10,329
Others	12,316	10,806	9,523	12,441
	36,693	22,924	18,006	22,770

Note 27. Due to foreign banks (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
In foreign currencies	85,611	70,977	103,127	62,537
In Swedish kronor	3,502	1,842	3,013	1,052
	89,113	72,819	106,140	63,589

Note 28. Long-term borrowing (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Subordinated debentures	10,475	6,150	9,582	5,653
Bond issues	38,655	33,968	7,830	6,874
Promissory note loans	1,627	2,951	–	–
Other long-term borrowing	1,279	1,356	458	462
	52,036	44,425	17,870	12,989

Note 29. National public savings, net (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
National public savings deposits	9,454	10,913	8,182	10,913
Less: Funds delivered to Swedish National Debt Office	–8,781	–10,229	–7,502	–10,229
	673	684	680	684

Note 30. Reserve for possible lending losses (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Reserve for foreign lending risks	581	530	372	317
Reserve for other possible losses	3,725	777	1,370	539
	4,306	1,307	1,742	856

Note 31. Other liabilities (SEK M)	The Group		The Bank	
	1990	1989	1990	1989
Accrued costs and prepaid income	8,397	5,380	4,230	2,602
Short-term promissory note borrowing	3,672	12,898	—	—
Deferred tax liabilities	1,031	419	—	—
Other tax liabilities	54	99	—	—
Miscellaneous	9,281	5,527	3,704	2,154
	22,435	24,323	7,934	4,756

In the Group, "Miscellaneous" includes SEK 256 M (339) in negative goodwill.

### Note 32. Minority interests

Minority interests have been reported in accordance with the recommendations of the Swedish Institute of Authorized Public Accountants. The minority interest reported in the balance sheet consists of SEK 133 M (50) in shareholders' equity and SEK 3 M (—) in untaxed reserves.

### Note 33. Untaxed reserves for lending and foreign currencies (SEK M)

	The Group		The Bank	
	1990	1989	1990	1989
Untaxed reserve for lending	10,781	9,934	9,496	8,897
Untaxed reserve for foreign currencies	54	54	54	54
	10,835	9,988	9,550	8,951

These untaxed reserves increased/decreased by the year's allocations/recoveries in the financial statements (appropriations). The exchange difference when translating the untaxed reserves of foreign subsidiaries to Swedish kronor was SEK 3 M.

### Note 34. Other untaxed reserves (SEK M)

	The Group		The Bank	
	1990	1989	1990	1989
Development reserve	3	3	3	3
Accumulated extra depreciation	1,404	808	10	21
Miscellaneous	42	1	—	—
	1,449	812	13	24

### Note 35. Shareholders' equity (SEK M)

	The Group		The Bank	
	1990	1989	1990	1989
<b>RESTRICTED</b>				
Capital stock (171,904,262 shares with par value of SEK 12.50 each)	2,149	2,149	2,149	2,149
Restricted reserves (Group), legal reserve (Bank)	2,473	2,429	2,362	2,362
<b>UNRESTRICTED</b>				
Unrestricted reserves (Group), retained earnings (Bank)	261	68	467	466
Net profit for the year	-1,139	705	136	517
	3,744	5,351	5,114	5,494
Restricted reserves include a currency translation difference of	+18	-26		
Proposed transfer from unrestricted to restricted equity	—		—	

Change in shareholders' equity:

<b>The Group</b>	Capital stock	Restricted reserves	Unrestricted reserves	Net profit for the year	Total
On January 1	2,149	2,429	773		5,351
Parent company dividend for 1989			-516		-516
Other transfers between restricted and unrestricted reserves*			3		3
Change in currency translation difference		44			44
Net profit for the year				-1,139	-1,139
At yearend	2,149	2,473	261	-1,139	3,744

\* Consolidation of former associated company.

<b>The Bank</b>	Capital stock	Legal reserve	Retained reserve	Net profit for the year	Total
On January 1	2,149	2,362	983		5,494
Dividend for 1989			-516		-516
Net profit for the year				136	136
At yearend	2,149	2,362	467	136	5,114

## CAPITAL ADEQUACY

SEK billions

Risk-weighted total assets	The Group			The Bank		
	Assets	Off-balance-sheet obligations	Total risk-weighted amount	Assets	Off-balance-sheet obligations	Total risk-weighted amount
Risk-weighting, by category						
A 0 %	80	10	-	43	4	-
B 20 %	84	31	23	57	27	17
C 50 %	53	4	28	20	3	12
D 100 %	180	11	191	114	8	122
Total	397	56	242	234	42	151

The risk categories include:

- A. A claim on, or guaranteed by, a government/central bank within the OECD or a Swedish local government.
- B. A claim on, or guaranteed by, local governments or banks/financial institutions within the OECD, as well as current receivables from other banks/financial institutions.
- C. A claim backed by mortgages on residential real estate.
- D. Other assets.

## Capital base

<i>Core capital</i>	<b>The Group</b>	<b>The Bank</b>
Taxed shareholders' equity	3.8	5.1
Minority interests	0.1	-
70 % of untaxed reserves		
* bond reserve in relation to market value	1.0	0.7
* other core capital	8.5	6.7
	13.4	12.5
Less reported goodwill	-2.4	-
Total net core capital	11.0	12.5

<i>Supplementary capital</i>	<b>The Group</b>	<b>The Bank</b>
Subordinated debentures with maturity dates	5.5	6.3
Perpetual subordinated debentures	1.9	1.4
Total supplementary capital	7.4	7.7
Less shareholdings and subordinated debenture holdings in other non-Group financial institutions	-0.0	-0.0
Net capital base	18.4	20.2
Capital requirement, 7,25 %	17.6	10.9
Surplus	0.8	9.3
Risk-weighted equity/assets ratio, %	7.60	13.40

**Specification of the Group's off-balance-sheet obligations:**

	Amount	
	Nominal amount	Counted toward capital base
Loan guarantees	8.3	8.3
Other guarantees	35.3	17.6
Letters of Credit	1.1	0.2
Repurchase agreements	5.1	0.0
Forward contract purchases, securities	2.6	2.6
Security issue programs	0.8	0.4
Interest rate and exchange rate-related contracts	752.2	22.0
Liquidity management	0.2	0.2
Long-term loan commitments	0.3	0.1

<b>Note 36. Guarantees (SEK M)</b>	<b>The Group</b>		<b>The Bank</b>	
	1990	1989	1990	1989
Guarantees	17,253	19,783	37,533	40,418
Subscription guarantees	69	—	112	472
	17,322	19,783	37,645	40,890