

Tatra Bank

Annual Report 2000



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Statement

by the Chairman of the Board of Directors and General Manager

To our shareholders and business partners

Tatra Bank entered the year 2000 with the expectations and ambitions to maintain the favourable development of the Bank, further increasing efficiencies and solidifying customer trust. The Bank has aimed at further improvements of the quality of services offered and expansion of the range of banking services via its nationwide branch network and its electronic channels.

In November 2000, Tatra Bank celebrated its 10th anniversary. During its short history, the Bank has established itself among the most important financial institutions in the Slovak Republic. Its dynamic business policies, modern information technology, and individual customer approach have allowed the Bank to re-affirm its position as the leader in various areas. Development of the Slovak banking sector, i. e. the ongoing privatisation process of the largest banks and the stabilization of the macroeconomic environment, calls for faster development of the Bank in fundamental areas, namely in product development, information technology and the expansion of its branch network.

Increasing its balance sheet by SKK 18 billion (over 30%) to reach total assets in excess of SKK 78 billion, the Bank reported faster growth than expected for 2000. The results demonstrate customer trust towards the capabilities of the Bank. The balance sheet amounted to almost 10% of total assets of the Slovak banking sector. Customer deposits, which rose by 55% compared to the previous year, reached SKK 61 billion and substantially contributed to the massive growth of the Bank's balance sheet. In 2000, Tatra Bank's share of total non-bank deposits in the Slovak Republic has reached the level of 11%. The amount of loans provided by the Bank amounted to 10% of those in the Slovak banking sector. Significant expansion in the area of both corporate and consumer loans extended to Tatra Bank customers have been further complemented by the introduction of new products and services on the market.

In 2000, Tatra Bank's net worth reached SKK 6.6 billion, providing the Bank with the financial strength to facilitate further expansion. Return on Equity (ROE) reached 27%.

The human potential of the Bank at all levels continued to be our strongest and most important asset. This, together with an efficient management process supported by a positive image, has created real opportunities for the Bank to fulfil its goals by providing a solid foundation to further increase Tatra Bank's shareholder value.

The level of services provided to small, medium-sized and large customers, as well as the universal capability of the Bank, were decisive factors for Tatra Bank to win again a number of highly professional awards decided by prestigious international magazines such as Euromoney, Global Finance and Central European. The Bank's performance over the past few years has also earned high ratings by important rating agencies such as Standard & Poor's or Thomson Bankwatch. For the third time in a row, Tatra Bank won the "Bank of the Year" prize in 2000, awarded by the local business weekly "Trend".

These results could not have been achieved without the enormous commitment of all bank employees, its business partners, and the support of the Bank's shareholders. I would therefore like to take this opportunity to offer my sincere thanks to all who contributed to the Bank's growth and success not only in 2000, but over the past 10 years.



Rainer Franz
Chairman of the Board of Directors
and General Manager

Financial highlights 2000

(in millions of SKK, USD, and EUR)	SKK	USD	EUR
Total assets	78,365.8	1,653.7	1,781.2
Primary deposits	61,014.4	1,287.5	1,386.8
Loans	34,874.6	735.9	792.7

Tier one capital	4,826.4	101.8	109.7
General loan loss reserve	2,622.0	55.3	59.6
Net profit after tax	1,821.0	38.4	41.4
Subordinated loan	562.4	11.9	12.8
Net worth	6,647.4	140.3	151.1

in %

Capital adequacy	10.8
ROE	27.4
ROA	2.3

Exchange rates

1 USD/SKK	47.389
1 EUR/SKK	43.996

Employees	1,881
Branches	69

Financial highlights 1996 – 2000

(in millions of USD)	1996	1997	1998	1999	2000
Total assets	1,017.1	1,140.5	1,239.6	1,420.4	1,653.7
Primary deposits	738.0	762.9	792.6	926.1	1,287.5
Loans	471.1	460.5	600.8	547.2	735.9

Tier one capital	39.8	47.7	66.7	84.8	101.8
General loan loss reserve	5.9	14.8	29.7	44.3	55.3
Net profit after tax	14.8	26.1	34.6	36.7	38.4
Subordinated loan	16.1	13.9	14.9	12.8	11.9
Net worth	54.6	73.8	101.3	121.5	140.3

	(%)				
Capital adequacy	12.4	12.9	14.7	18.3	10.8
ROE	27.1	35.3	34.1	30.2	27.4
ROA	1.5	2.3	2.8	2.6	2.3

Exchange rates 1 USD/SKK	31.895	34.782	36.913	42.266	47.389
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Employees	593	748	1,062	1,454	1,881
Branches	22	28	36	50	69

The largest shareholders

Raiffeisen Zentralbank Österreich AG (RZB)	72.26%
Tatra Holding	14.11%
Other	13.63%

The Slovak economy in 2000

Successes in the integration process

The Slovak Republic's biggest success on the international scene was the invitation to become a member of the Organisation of Economic Co-operation and Development (OECD) issued in July. Consequently, Slovakia officially became the 30th member of this organisation in December. Slovakia also made substantial progress in the negotiation process on accession to the European Union. In its regular report on progress towards accession, the European Commission for the very first time labelled the Slovak economy a functioning market economy. On the other hand, the Commission detected some risks in the fiscal sphere and the public administration reform.

Last year, Slovakia reported a record volume of foreign direct investments, which should total approximately USD 1.4 billion. The lion's share of these revenues stems from the sale of the 51% stake in Slovenské Telekomunikácie, a.s. These funds helped increase foreign exchange reserves of the National Bank of Slovakia to USD 4.0 billion (up from USD 3.4 billion), thereby improving the external liquidity position of the Slovak Republic to a considerable extent.

Another important issue was the advancement in the restructuring process of the so called state banks, which was undertaken by a transfer of non-performing loans to Slovenská konsolidačná, a.s. and Konsolidačná banka, š.p.ú. The next step in this process was a decision about the sale of the biggest Slovak bank, Slovenská sporiteľňa, a.s., to a strategic investor at the end of the year. These measures were also reflected in the upgrade of the foreign currency ceiling outlook for Slovakia from stable to positive within an unchanged rating level of BB+. Spreads on Slovak sovereign eurobonds had decreased from the level of 220 bps at the beginning of the year to 150 bps in the summer months already prior to this decision.

Moreover, interest rates on the money market and in the state's bonds auctions continued to decline.

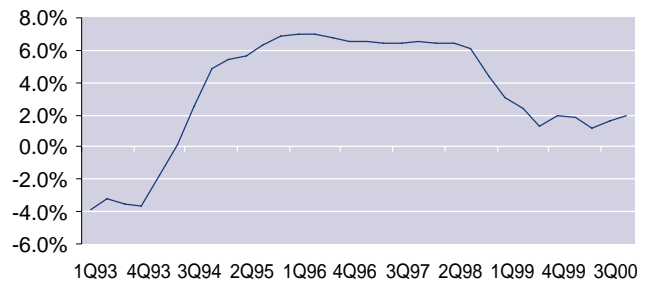
Economic growth was accelerating throughout most of the year; nevertheless, in a year-on-year comparison, GDP growth for the full year reached approximately the same level as in 1999. In terms of an annual average, the unemployment rate increased again, and real wages continued to decrease. Inflation, by contrast, developed favourably and returned to single-digit figures again.

Pace of economic growth unchanged

The real economy showed diverse trends in the two half-years. In the first half, Slovakia recorded a sharp drop in domestic demand and household consumption in particular. Net exports were the sole generator of economic growth. In the second half of the year, the rate of decline in household consumption slowed, and investment demand began to rise again. In contrast to this, higher import growth last quarter reduced the contribution of net exports to GDP growth. According to preliminary estimates, GDP growth in the year 2000 as a whole should reach a level of around 2%, which does not make a big difference to the 1.9% recorded in 1999.

Another problem of the Slovak economy was the high rate of unemployment last year. On an annual average, the unemployment rate reached 18.2% and rose against 17.5% in 1999.

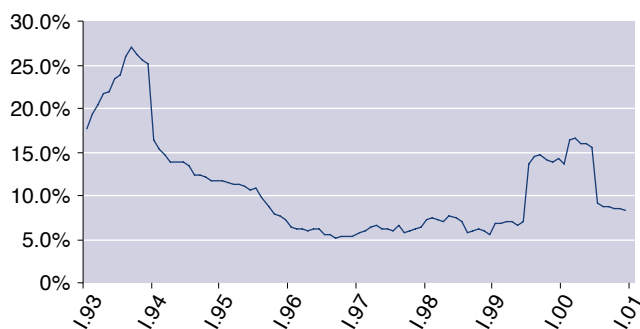
GDP growth



Favourable development of inflation

A positive feature of the Slovak economy was the inflation trend which showed a favourable performance during the year despite several negative factors such as high crude oil prices, the strong US dollar and the consequences of a drought during the summer months. The inflation rate decreased from levels above 16% at beginning of the year to 8.4% in December and reached an average level of 12% in the year as a whole. Overall, the rate of inflation was still considerably affected by price deregulation measures. Increases of regulated prices made up 4.5% of the total year-end level of 8.4%.

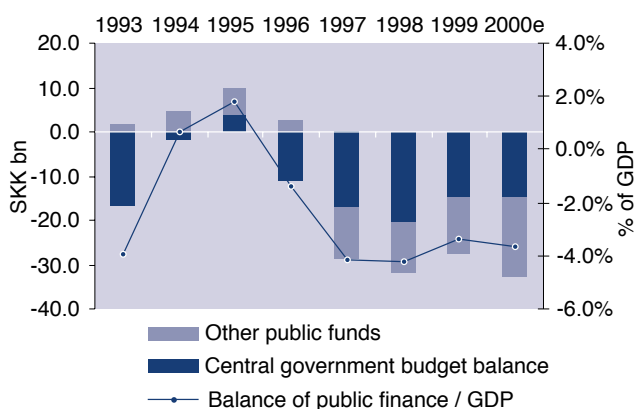
Rate of inflation (y/y)



Slovak crown performance

The exchange rate of the Slovak crown was determined by several factors. A positive development of macroeconomic indicators – and especially of the foreign trade balance and public finances – in the first half of the year caused permanent appreciation pressure, which had to be reduced by interventions of the National Bank of Slovakia (NBS). The exchange rate against the reference currency euro rose as high as 41.500 SKK/1 EUR at the end of April. Since May, the exchange rate of the crown had been largely determined by non-economic factors which caused its depreciation. In October, it approached the level of 44 SKK/1 EUR, and the NBS was forced to intervene in order to prevent the crown from further weakening. The unfavourable development of the euro against the US dollar also impacted on the exchange rate of the crown versus the dollar. The crown weakened against the dollar from 41 SKK/1 USD at the beginning of the year to almost 53 SKK/1 USD in October.

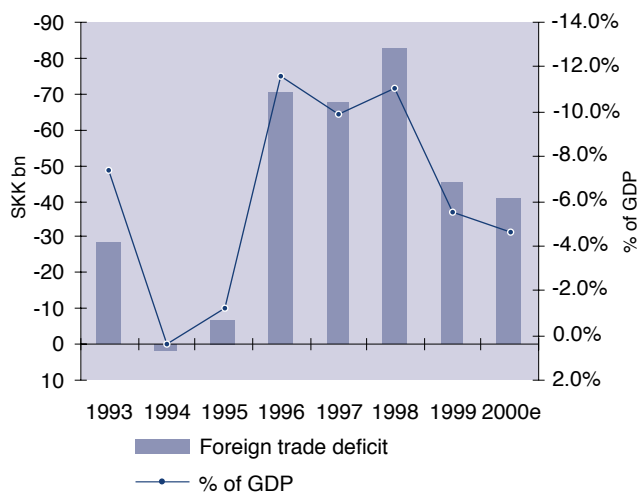
Balance of the public finance



Changes in monetary policy

The monetary policy of the NBS made significant advances in the year 2000, shifting from monetary targeting to inflation targeting. Another significant change was the introduction of a 1-day and – later in the year – also a 14-day repo rate as the main operating instrument of monetary policy. Core inflation, which became the main objective of monetary policy of the NBS, reached 4.6% at the end of the year and was below the lower end of the targeted range of the NBS (4.7% – 5.8%). Adjusted rate of growth of loans to enterprises and households was 4.1% what was in line with the reference level stated in the monetary programme of the NBS (3.7%). This development created a positive environment characterised by a relatively relaxed monetary policy, which was reflected in multiple rate cuts of key interest rates. A general decline in interest rates was reflected in a decrease in the 1-year money market rate from 14.0% to 7.8%.

Deficit of foreign trade



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2000 Management report

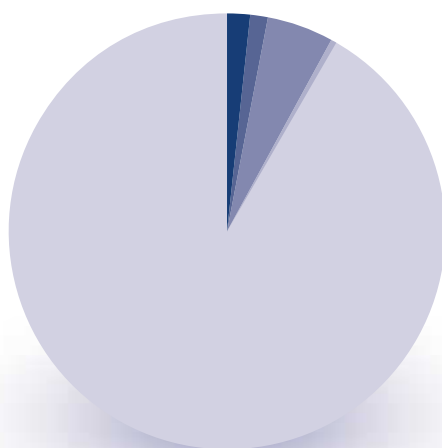
Corporate finance

Macroeconomic development in 2000 paved the way for more extensive credit expansion. The loan portfolio increased by 49.5% compared to the previous year, with a significant share of loans guaranteed by the state. A marked decrease in SKK interest rates throughout 2000 and liquidity surpluses in the market, cut demand for loans denominated in foreign currencies. Corporate customers were therefore converting loans in foreign currencies in favour of SKK loans, or restructuring their short-term loans to medium and long-term ones.

Corporate finance activities concentrated on maintaining the existing customer base strongly supported by acquisitions via the branch network, international contacts and representations of the Bank's major shareholder. Due to this fact, the Bank was able to win numerous new credit customers while maintaining its conservative lending policies to keep credit quality at an acceptable level.

A municipal financing concept was prepared in 2000, which led to the first municipal loans being provided.

Funding sources of loan portfolio (in %)



- PHARE 1.7%
- EIB 1.3%
- EXIM BANK OF JAPAN 4.9%
- EBRD 0.2%
- TATRA BANK 91.9%



Maturity profile of loan portfolio (in mill. of SKK)

	1996	1997	1998	1999	2000
Overdrafts	3,303	5,700	4,067	3,888	2,908
Up to 12 months	3,774	4,113	9,079	11,319	17,823
Up to 5 years	5,446	3,528	4,046	3,533	10,674
Over 5 years	1,202	1,871	4,023	4,320	3,470
TOTAL	13,725	15,212	21,215	23,060	34,875

Small and medium-sized entrepreneurs loans

In 2000, Tatra Bank extended its strategy towards the financing of small and medium-sized entrepreneurs (SME). In order to address and acquire these new customers, the Bank changed its approach so as to make decision-making more flexible, thereby reducing the necessary period for processing loan applications. This enabled the Bank to react much faster to market conditions. In order to implement this strategy, it became necessary for the Bank to decentralize certain steps of the credit decision-making process. In September 2000, a credit team was established at the Košice regional branch, with training of further employees underway in other regions.

Trade finance

In 2000, trade finance activities expanded remarkably in the Slovak market. Trade finance products and services had become an alternative tool for foreign and domestic trade financing, and showed an upward trend. Small and medium-sized entrepreneurs sought non-standard forms of financing, such as discounting of receivables or warehouse receipt financing of agricultural products. The main goal of creating a more stable customer base has therefore been achieved.

Settlement and transaction services

Existing electronic banking facilities were extended even further in 2000. A new Mobile Banking service was introduced to provide information about account balances and movements including the placement of payment orders by way of mobile phones. In mid 2000, the first Slovak Internet Bank - ELIOT (powered by Tatra Bank) began offering electronic banking services via the Internet without the need to visit a branch.

The range of DIALOG - Call Centre services has been further extended to include information on mortgage and consumer loans, virtual credit cards, new Internet banking services, and new asset management products offered by Tatra Asset Management (TAM).

The number of domestic and foreign telebanking payments rose significantly in 2000. Money market (MM) and Foreign exchange (FX) transactions were provided in real time via the Internet using the Bank's new service called I:DEAL. This service allows clients to arrange individual exchange rates for foreign payments, conversion for fund transfers between accounts, as well as for deposits in SKK, without visiting a branch or phoning the Bank's dealers.



Retail banking

Further expansion of Tatra Banka branches continued in 2000 with 9 new branches and 10 sub-branches. At the end of the year, the Bank operated 69 branches across Slovakia.

Long-anticipated consumer loan products were introduced in 2000. The Bank launched overdraft facilities and consumer credits to finance the purchase and installation of consumer durables provided by select

partners cooperating with Tatra Bank. In the fourth quarter of 2000, Tatra Bank introduced mortgage loans to meet strong demand.

The number of payment cards issued rose to almost 150,000, a 100% increase compared to 1999. The Bank contributed significantly to further expansion of the network of merchants accepting debit/credit cards for payment of goods and services. The number of terminals accepting payment cards rose by 88% to reach 1,400. New Automated Teller Machines (ATMs) were installed primarily in newly built shopping centres and branches, bringing the total number of Tatra Bank ATMs to 74. The new authorisation and software processing system for payment cards enabled the Bank to introduce the real Classic VISA Credit Card, making it the first bank in Slovakia to do so. The offer of credit cards was further extended by the co-branded MercedesCard, a unique and exclusive international Eurocard/MasterCard credit card (carrying a number of benefits and discounts for customers of the Mercedes company). Card products were further expanded with the first VISA virtual credit card allowing safe Internet shopping. Emphasis was placed also on improving the quality of customer services. Customers can turn to a special non-stop DIALOG service with their queries pursuant to usage of the card. The issuance of new cards can be handled not just by way of a branch, but also via DIALOG or the Internet.

Treasury and investment banking

Foreign Exchange (FX) and Money Market (MM)

The successful transition to 2000 brought about a steep decline in SKK interest rates. This move together with positive forecasts in the development of the Slovak economy helped cover the state budget deficit in the sell-off of state securities. The decision of the National Bank of Slovakia (NBS) to transfer from quantitative to qualitative execution of monetary objectives helped stabilize the situation and contributed to development of the derivative market, where Tatra Bank has a leading position. The obligatory minimum reserves requirement was reduced by the NBS to 5% as of January 1, 2001.

The situation on the Slovak interbank market reported positive developments throughout the year under review. With a share of 12%, Tatra Banka ranked 3rd on the money market. The stable environment allowed the market to re-open trading with Forward Rate

Agreements (FRA), with Tatra Bank being the first bank to begin trading.

Tatra Bank played an important role in FX transactions on the interbank market. Its total share on the FX market for the year 2000 reached 9%, placing the Bank in 5th position.

Capital market

The Slovak capital market failed to fulfil its main function – long-term capital accumulation. The Government of the Slovak Republic was the most active among issuers in Slovak crowns with treasury bonds worth SKK 70 billion. Activities of pension funds and asset management companies with their mutual funds, is considered as a very positive trend among investors. Trading on the primary and secondary markets concentrated mostly on treasury bonds issued by the Government of the Slovak Republic. Foreign investors too showed increased interest in Government bonds.

Tatra Bank was the most active player on the Bratislava Stock Exchange. The market share in trading with bonds and equities totalled 14.7% and the trading in bonds alone amounted to 18.2%, which put Tatra Bank in pole position in both cases. In 2000, the Bank was one of the principal participants in the establishment of the market creating system in Slovak treasury bonds on the Bratislava Stock Exchange. It was one of the most active traders in Slovak Eurobonds.

Tatra Bank was the first Bank in the Slovak Republic to introduce on-line trading with clients via the Internet and the I:DEAL (foreign exchange, term deposits), and in the course of 2000 launched also an on-line investment advisory service for clients on its Internet site.

Private banking

Throughout its short history, the newly established Private Banking Department experienced strong growth in 2000 both in the number of private banking customers and the volume of funds administered. The year 2000 saw increasing interest by solvent customers in advisory services associated with appreciation of their funds.



Employees

As of December 31, 2000, the Bank employed 1,881 persons, an increase of 427 compared to the previous year. Quality training of new staff has played an important role. The Bank emphasized improvement of the professional skills of all its employees.

Outlook for the year 2001

The Bank will continue to pursue its strategy to become one of the strongest universal banks in the Slovak Republic. After full privatization of all major Slovak banks, which the Government intends to finalize during the course of this year, corporate and private customers will benefit from increased competition. In terms of strategy, this will mean providing faster and better services to first class corporate clients, diversification and broadening of the corporate customer base to include medium and small-sized companies and more tailor-made financing facilities.

Further expansion of our branch network as well as our Internet sales channel will strengthen our distribution capacities to attract more private customers and to offer a more comprehensive and sophisticated range of retail products to meet the demands of our target clients.

Past and future investments in IT hardware and software and infrastructure, together with a continual emphasis on staff training and staying at the forefront of technological and market development, are pre-requisites to successfully face and prevail in such a competitive environment. We expect the Bank to do so and believe that the results for the year 2001 will be at least comparable to those achieved in 2000.

Financial statements

as of December 31, 2000

Assets as of December 31, 2000 and 1999

ASSETS (in thousands of SKK and EUR)	2000		1999	
	SKK	EUR	SKK	EUR
Cash and cash equivalents	8,746,003	198,791	7,712,275	181,645
Cash in hand	1,585,376	36,035	1,166,633	27,477
Balances with National Bank of Slovakia (NBS)	6,117,549	139,048	5,272,219	124,175
Current accounts with other banks	1,043,078	23,708	1,273,423	29,993
Loans and advances to other banks	12,705,854	288,796	7,984,643	188,060
Loans and advances to customers	34,874,612	792,677	22,838,669	537,912
Overdrafts	2,572,757	58,477	3,841,401	90,475
Loans	32,301,855	734,200	18,997,268	447,437
Fixed income and variable-yield securities	18,720,389	425,502	18,698,016	440,388
State treasury bills and NBS bills	986,076	22,413	3,900,000	91,856
State bonds	12,291,241	279,372	12,858,579	302,854
Corporate bonds	479,994	10,910	489,799	11,536
Eurobonds and Euronotes	4,672,288	106,198	1,359,271	32,014
Other securities	290,790	6,609	90,367	2,128
Assets sold with repurchase agreement – REPO	0	0	287,679	6,776
Equity shares	383,427	8,715	311,038	7,326
Tangible fixed assets	1,271,355	28,897	1,033,781	24,348
Intangible fixed assets	470,757	10,700	189,139	4,455
Prepayments and other assets	1,193,426	27,126	979,841	23,078
TOTAL ASSETS	78,365,823	1,781,204	60,035,081	1,413,988

Liabilities as of December 31, 2000 and 1999

LIABILITIES (in thousands of SKK and EUR)	2000		1999	
	SKK	EUR	SKK	EUR
Amounts owed to Central Bank	1,992,744	45,294	2,171,602	51,147
Amounts owed to other banks	4,855,395	110,360	10,291,976	242,404
Subordinated debt	562,375	12,782	542,700	12,782
Loans and advances owed to customers	61,014,429	1,386,818	39,142,954	921,922
Current accounts	25,302,177	575,102	18,584,880	437,724
Term deposit accounts	31,795,578	722,692	17,873,587	420,971
Savings accounts	3,276,139	74,465	2,368,032	55,774
Certificates of deposit	640,535	14,559	316,455	7,453
Other liabilities	671,595	15,265	880,937	20,748
General reserves for risk assets	2,444,953	55,572	1,871,964	44,090
Reserves for contingent liabilities	177,000	4,023	0	0
Share capital	1,044,320	23,737	1,044,320	24,597
Share premium	131,524	2,990	115,792	2,727
Reserves and retained earnings from previous years	3,650,523	82,974	2,423,729	57,085
Profit for the year	1,820,965	41,389	1,549,107	36,486
LIABILITIES – TOTAL	78,365,823	1,781,204	60,035,081	1,413,988

Selected items from off-Balance sheets as of December 31, 2000 and 1999

(in thousands of SKK and EUR)	2000		1999	
	SKK	EUR	SKK	EUR
Commitments given:	7,240,725	164,577	6,809,765	160,388
Guarantees	6,851,927	155,740	6,191,313	145,822
Classified guarantees	164,948	3,749	392,509	9,245
Letters of credit	160,273	3,643	225,943	5,321
Classified letters of credit	63,577	1,445		
Commitments received:	15,053,238	342,150	3,859,007	90,890
Guarantees	15,053,238	342,150	3,859,007	90,890
Letters of credit	0	0	0	0

Profit and Loss Accounts for the years ended as of December 31, 2000 and 1999

(in thousands of SKK and EUR)	2000		1999	
	SKK	EUR	SKK	EUR
Interest income	3,516,274	79,923	3,858,452	90,877
Interest expense	-3,184,992	-72,393	-3,104,442	-73,118
Net interest income	331,282	7,530	754,010	17,759
Net fees and commissions	417,166	9,482	324,466	7,642
Net securities income	2,803,692	63,726	1,524,562	35,908
Net foreign exchange gains	988,816	22,475	1,034,062	24,355
Net option premium	20,940	476	27,148	639
Other income	28,404	646	61,430	1,447
Other income	4,259,018	96,805	2,971,668	69,991
Salaries and employment benefits	-705,351	-16,032	-487,608	-11,484
Administrative expenses	-879,169	-19,983	-704,510	-16,593
Depreciation and amortisation	-464,450	-10,557	-373,865	-8,806
Other provisions and amortisation	-147,921	-3,362	-161,806	-3,811
Other expenses	-2,196,891	-49,934	-1,727,789	-40,694
Profit before provisions, reserves and taxation	2,393,409	54,401	1,997,889	47,056
Provisions and reserves for loan losses	-564,786	-12,837	-310,756	-7,319
Provisions for equity shares	18,315	416	44,021	1,037
Provisions for trading securities	-13,108	-298	17,007	400
Other provisions	-10,941	-249	-14,229	-335
Reserves and provisions	-570,520	-12,968	-263,957	-6,217
Profit before taxation	1,822,889	41,433	1,733,932	40,839
Taxation – for the current period	0	0	-184,825	-4,353
Taxation – for the prior period	-1,924	-44	0	0
Profit for the year	1,820,965	41,389	1,549,107	36,486

Cashflow Statements for the years ended as of December 31, 2000 and 1999

(in thousands of SKK)	2000	1999
Operating activities:		
Operating profit before taxation and dividends received	1,815,181	1,720,270
Reserves and provisions	570,520	263,957
Other amortisation	23,085	21,071
Depreciation and amortisation	464,450	373,865
Change in accrued income	(210,778)	(115,002)
Change in accrued expense	15,927	84,772
Operating cashflow before change in operating assets	2,678,385	2,348,933
Loans and advances to credit institutions	(4,721,211)	4,328,399
Loans to customers	(11,873,825)	(649,295)
State treasury bills	2,913,924	(3,900,000)
Trading securities	(2,949,405)	(8,783,286)
Assets sold with repurchase agreement	287,679	816,371
Other assets and prepayments	(13,748)	(169,917)
Amounts owed to credit institutions	(5,595,764)	1,564,342
Amounts owed to customers	21,871,475	10,457,635
Other liabilities	(225,269)	(927)
Net cashflow from operating activities before income taxes	2,372,241	6,012,255
Income taxes	(1,924)	(184,825)
Net cashflow from operating activities	2,370,317	5,827,430
Investing activities:		
Investment securities	(54,074)	(66,056)
Dividends received	7,708	13,662
Net additions to fixed assets	(983,642)	(792,796)
Net cashflow from investing activities	(1,030,008)	(845,190)
Financing activities:		
Share capital issue	15,732	-
Bonds	-	-
Dividends paid and others	(322,313)	(154,199)
Net cashflow from financing activities	(306,581)	(154,199)
Cash inflow / (outflow) for the year	1,033,728	4,828,041
Cash and cash equivalents, at the beginning of the year	7,712,275	2,884,234
Cash and cash equivalents, at the end of the year	8,746,003	7,712,275
Change in cash and cash equivalents	1,033,728	4,828,041

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Notes to the Financial Statements

as of December 31, 2000 and December 31, 1999

1) CORPORATE PURPOSE

Tatra banka, a. s., Bratislava ("the Bank") is a joint stock company, having its legal seat in Bratislava, Vajanského nábr. 5. It was founded on 17 September 1990 and incorporated on 1 November 1990. The Bank has a general banking licence from the National Bank of Slovakia.

The main activities of the Company stated in the Commercial Register:

- receiving deposits;
- providing loan facilities;
- investing into securities on its own account;
- financial leasing;
- system of payments and clearing;
- issuing and managing media of payment e.g. credit cards, traveller's cheques;
- providing guarantees;
- opening Letters of Credit;
- collecting money;
- dealing on its own account or on the client's account with the following:
 1. foreign - exchange values,
 2. in futures and options, including exchange rate and interest deals,
 3. transferable securities,
 4. golden and silver coins,
- participation in issuing securities and providing services connected therewith;
- financial brokerage;
- providing consulting services in business;
- managing client's securities on the client's account including consulting service (portfolio management);
- depositing and managing securities or other valuables;
- acting as a depository according to a special regulation;
- exchange services (purchase of foreign exchange);
- providing banking information;
- leasing safes;
- performing mortgage trades;
- mediation activities in the areas of banking and insurance related to banking activities and building savings.

The members of the statutory and supervisory bodies of the Bank as of December 31, 2000:

Supervisory Board	Chairman:	Ing. Milan VRŠKOVÝ
	Vice-chairman:	Dr. Herbert STEPIC
	Members:	Mag. Renate KATTINGER
		Mag. Walter GRÜN
		Ing. Ján NEUBAUER
		Prof. Ing. Peter BALÁŽ, CSc.
		Dr. Reinhard BÖCK
		Ing. Jolana PETRÁŠOVÁ
Ing. Štefan TESÁK		
Board of Directors	Chairman:	Dkfm. Rainer FRANZ
	First vice-chairman:	Ing. Miroslav ULIČNÝ
	Vice-chairman:	Ing. Igor VIDA
	Members:	H. Ir. Philippe MOREELS
		Dr. Christian MASSER
		Ing. Ivan ŠRAMKO

Translation of a report and financial statements originally issued in Slovak and prepared in accordance with generally accepted accounting principles in the Slovak Republic.

(2) BASIS OF PRESENTATION AND GOING CONCERN

The individual financial statements of the Bank consisting of the balance sheet as of 31 December 2000, the related statements of the profit and loss account, and notes including the cash-flow statement, for the year then ended, are presented in accordance with the Act on Accounting and accounting procedures for banks in the Slovak Republic, which do not differ significantly from International Accounting Standards. The main differences affecting the shareholders equity and the profit & loss account are stated in Note 31 to the accompanying financial statements.

The Board of Directors of the Bank has prepared these financial statements and they will be proposed for the approval of the Ordinary General Meeting of Shareholders following the current Slovak legislation about ordinary financial statements. These financial statements are presented following the assumption that the Bank will continue as a going concern.

There were no changes in the main accounting policies, methods of valuation, depreciation and classification applied in the preparation of these financial statements, compared to the previous accounting period.

The General Meeting of Shareholders held on 31 May 2000 approved the previous year's financial statements.

(3) MAIN ACCOUNTING POLICIES

A summary of the Bank's main accounting policies, all of which have been applied consistently throughout the year, is set out below:

a) Cash and cash equivalents

Cash and cash equivalents consist primarily of debit balances on nostro and loro accounts with other banks. In addition, they include the obligatory reserve with the National Bank of Slovakia.

The obligatory reserve with the National Bank of Slovakia is a required reserve held by any commercial bank with the National Bank.

b) Loans and advances

Loans and advances to customers and credit institutions are stated at the unpaid principal balance net of specific provisions for possible loan losses. Specific provisions are assessed with reference to the credit standing and performance of the borrower and take into account the value of any collateral or third party guarantees. In case the loan was classified in 3 to 5 categories (substandard, doubtful, loss), the Bank does not take into account the value of collateral upon creation of provisions and reserves. Interest on non-performing loans is accrued with appropriate provisions against these amounts being included in the specific provision or reserve.

General reserve for loan losses is included in the caption of "General reserve for risk assets" on the liability side of the balance sheet.

Creation and release of provisions and reserves made during the year are charged against profit of the current year.

According to a valid decision on quitting recovery of claims, issued by the court or Board of Directors, the Bank writes off its receivables. The receivables written off are recorded in the off-balance sheet.

c) Shares and variable yield securities

Shares and variable yield securities purchased for trading purposes are stated at the lower of cost or market. In the absence of a liquid market for the securities, the Board of Directors determines the market value.

Shares and variable yield securities held for investment purposes are stated at cost less any provision for permanent diminution in value.

d) Fixed income securities

Treasury bills are carried at cost. Discounts are amortised on a straight-line basis through the profit and loss account over the period the security is held by the Bank.

Other fixed income securities held for investment purposes are carried at cost plus accrued interest and amortised discount less amortised premium and provision for diminution in value. The premium or discounts arising on purchase of fixed income securities are amortised over the term to maturity.

e) Repurchase and reverse repurchase agreements (Repo)

Repurchase and reverse repurchase agreements are utilised by the Bank as an element of its treasury management and trading business. These agreements are accounted for as financing transactions. As financing transactions, the related securities are recorded in the Bank's accounts and the related receivable or payable is included in loans and advances to credit institutions or customers or as an amount due to credit institutions or customers, respectively. Any related income or expense arising from the pricing spreads for underlying securities is recognised as interest income or expense during the period that the related transactions are open.

f) Derivatives

In the ordinary course of business the Bank enters into derivative financial instruments for both trading and hedging purposes. At 31 December 2000 the Bank had outstanding forward and swap contracts tied to underlying assets, which include foreign currency and interest rates.

The agreements open at year-end are stated at their nominal value and the unrealised gain or loss has been included in the profit and loss account according to the nature of each contract (interest income, interest expense, and dealing profit or foreign exchange gain/loss).

g) Equity shares

Equity investments represent the Bank's long-term participating interests and shares in affiliated and subsidiary undertakings. Strategic equity investments are stated at cost, less any provision for permanent diminution in value.

h) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Upkeep, maintenance and repair expenses are expensed as incurred.

Small value tangible assets with a cost of less than SKK 20 thousand are recorded and fully expensed in the year of acquisition.

The Bank depreciates the tangible fixed assets by the accelerated method as defined by the Act on Income Taxes No. 366/1999 Coll., Sections 28 - 33 at rates based on the years of estimated useful life. Assets under construction, land and art collections are not depreciated.

The estimated useful life of the assets is as follows:

Category	Years
Buildings and constructions	40
Means of transport & Computers	4
Furniture and fixtures and office equipment	4 to 15

Rights on leased assets

The Bank records leased assets in the form of operational and financial leases.

An operational lease is recorded directly to costs of the Bank.

Finance leases are recorded as follows: The downpayment is accrued and expensed linearly through the life of the lease contract. The periodical payments under the lease agreement are charged to expenses when invoiced. The residual value of the leased assets is capitalised when the lease contract expires.

i) Intangible fixed assets

Intangible fixed assets are recorded at cost less accumulated amortisation.

Small value tangible assets with a cost of less than SKK 40 thousand are recorded and fully expensed in the year of acquisition.

Amortisation of intangible assets is provided to write off the cost on a straight-line basis over the estimated useful economic life of the asset.

The estimated useful lives of the assets are as follows:

Category	Years
Software	4

j) Amounts owed to customers and banks

Amounts owed to customers and banks represent all term deposits, current accounts and savings deposits made by customers and other banks. Interest payable on these balances is accrued, with the accrual being included as interest expense.

k) Foreign currency transactions

Transactions denominated in foreign currencies are recorded in local currency (SKK) at actual exchange rates of the Bank as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange of NBS prevailing at the balance sheet date. Any gains or losses arising from a change in exchange rates subsequent to the date of the transaction is included as a translation gain or loss under income from foreign exchange in the profit and loss account.

Unmatured spot foreign exchange transactions are translated into local currency at the NBS spot exchange rate prevailing on balance sheet date.

Unmatured forward foreign exchange rate transactions are translated to local currency at the forward exchange rates computed using standard formula with spot rates of NBS and prevailing interest rates.

l) Interest, fees and commissions

Interest, fees and commissions are recognised on an accrual basis, in the period, which they relate to.

m) Taxation

The taxation charge is calculated in accordance with Slovak regulations and is based on the profits reported in the profit and loss account prepared under Slovak accounting regulations after adjustments for tax purposes.

Following the accounting legislation, the Company did not record any deferred taxes since no temporary differences existed between depreciation charges of fixed assets applied for tax and accounting purposes.

n) Regulatory requirements

The Bank is subject to the regulatory requirements of the National Bank of Slovakia. These requirements involve capital adequacy, liquidity, credit exposure and foreign currency position. The Bank is limited as to the amounts of loans, which it may advance to customers by regulations of the National Bank of Slovakia.

The most significant limits are as follows:

- Capital adequacy to be at least 8%
- Credit exposure against one customer cannot exceed 25% of the Bank's capital
- Credit exposure against one bank cannot exceed 125% of the Bank's capital
- Credit exposure to a related party cannot exceed 20% of the Bank's capital
- Overall daily foreign currency exposure has a limit of 25% of the Bank's capital.

The Bank's capital defined for the purpose of these requirements includes mainly the Bank's equity, retained earnings, reserve and share premium fund and legal reserve for risk assets.

o) Recognition of revenues and expenses

Revenues and expenses are accounted for, on an accrual basis. In accordance with the accounting principle of prudence, the Bank does not record contingent gains at year-end, except for the unrealised foreign currency gains, whereas foreseeable contingencies, including potential losses, are recorded as soon as they become known.

p) Health, social security and pension schemes

Contributions are made to the Government's health, retirement and medical benefit and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. The cost of social security payments is charged to profit and loss in the same period as the related salary cost. The Bank has no obligation to contribute neither to these schemes beyond the statutory rates in force nor to any other private scheme.

(4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise (in thousands of Slovak crowns):

	2000	1999
Cash and cash equivalents	1,585,376	1,166,633
Current accounts with other banks	1,043,078	1,273,423
Obligatory reserve with NBS	4,303,215	4,680,396
Other accounts with NBS	1,814,334	591,823
Total	8,746,003	7,712,275

Insurance coverage

The Bank takes out insurance on cash against theft and robbery in all its branches and sub-branches in the Slovak territory. The insurance limits are defined individually for each branch or sub-branch.

Obligatory reserve with the National Bank of Slovakia

Following the regulations of the National Bank of Slovakia, the average amount of the obligatory reserve in 2000 should be SKK 3,349,801 thousand. The actual average amount deposited by the Bank in the NBS amounted to SKK 3,383,125 thousand (SKK 2,580,953 thousand in 1999).

(5) LOANS AND ADVANCES TO BANKS

Loans and advances to credit institutions are repayable, according to contractual maturity, as follows (in thousands of Slovak crowns):

	2000	1999
Maturity – contractual:		
– up to 3 months	6,305,540	4,609,924
– 3 months to one year	5,950,314	3,299,719
– one to five years	450,000	75,000
Less: provision	–	–
Total	12,705,854	7,984,643

(6) LOANS TO CUSTOMERS

Loans and advances to customers comprise (in thousands of Slovak crowns):

	2000	1999
Gross loans and advances	32,865,157	19,722,688
Overdrafts	2,572,757	3,841,401
Less – provisions for loan losses	(563,302)	(725,420)
Total loans and advances	34,874,612	22,838,669

Loans and advances to customers are repayable, according to the contract, as follows (in thousands of Slovak crowns):

	2000	1999
Repayable within:		
– up to one year	19,702,971	15,195,900
– one to five years	10,536,885	3,303,508
– more than five years	2,842,415	4,038,412
Non-specified and classified	2,175,665	1,026,269
Other	179,978	–
Less: provision for loan losses	(563,302)	(725,420)
Total	34,874,612	22,838,669

The breakdown of non-performing loans, as defined in the regulations of the Ministry of Finance of the Slovak Republic, is as follows (in thousands of Slovak crowns):

	2000	1999
Standard loans with exception	1,477,703	188,287
Non-standard loans	123,215	80,707
Doubtful receivables	72,176	95,992
Loan losses	502,571	661,283
Total	2,175,665	1,026,269

The breakdown of provisions for loan losses is as follows (in thousands of Slovak crowns):

	2000	1999
Provision for non-standard loans	24,643	16,141
Provision for doubtful receivables	36,088	47,996
Provision for loan losses	502,571	661,283
Total	563,302	725,420

A breakdown of the synthetic accounts no. 231, 241, 242, 243, and 249 according to the analytical evidence mentioned in the specific decrees No. 65/355/1996 of the Ministry of Finance of the Slovak Republic dated 11 November 1996 is as follows (in thousands SKK):

	Loan	Provision
Standard loans with exception	1,477,703	–
– SKK residents	715,081	–
– SKK non-residents	–	–
– FX residents	762,622	–
– FX non-residents	–	–
Non-standard loans	123,215	24,643
– SKK residents	20,246	4,049
– SKK non-residents	–	–
– FX residents	102,969	20,594
– FX non-residents	–	–
Doubtful receivables	72,176	36,088
– SKK residents	32,327	16,164
– SKK non-residents	–	–
– FX residents	39,849	19,924
– FX non-residents	–	–
Lost receivables	502,571	502,571
– SKK residents	168,175	168,175
– SKK non-residents	4,400	4,400
– FX residents	248,650	248,650
– FX non-residents	81,346	81,346
Total	2,175,665	563,302

Loans and advances to customers are secured by the following types of guarantees (in thousands of Slovak crowns):

	2000	1999
Letters of guarantee from banks	5,935,645	1,223,170
Letters of guarantee from the state	5,060,835	–
Letters of guarantee from companies	4,056,758	2,635,837
Total	15,053,238	3,859,007

(7) FIXED INCOME AND VARIABLE-YIELD SECURITIES

Trading securities comprise (in thousands of Slovak crowns):

	2000	1999
Shares	17,690	17,617
Mutual funds certificates	294,358	76,350
Less: provision	(21,258)	(3,600)
State treasury bills	–	2,200,000
NBS bills	986,076	1,700,000
State bonds	12,291,241	12,858,977
Corporate bonds	505,856	522,861
Eurobonds	1,315,703	269,070
Euronotes	3,359,799	1,090,367
Less: provision	(29,076)	(33,626)
Total	18,720,389	18,698,016

Mutual fund certificates are the certificates of mutual funds of the company Tatra Asset Management, správcovská spoločnosť, a. s.

The amount of SKK 178,575 thousand represents certificates of Tatra kupón fond, i. f. a. s., which was as of 31 December 2000 reclassified from other equity shares.

The breakdowns of trading securities were as follows (in thousands of Slovak crowns):

	2000		1999	
	Listed	Unlisted	Listed	Unlisted
Issued by financial institutions	2,243,926	277,723	810,024	77,714
Issued by governmental sector	15,468,956	–	17,328,539	–
Other	660,218	69,566	278,407	203,332
Total	18,373,100	347,289	18,416,970	281,046

The market value of the shares as of 31 December 2000 amounted to SKK 13,385 thousand (SKK 14,143 thousand as of 31 December 1999). This represents an unrealised loss of SKK 4,497 thousand (SKK 3,600 thousand as of 31 December 1999) and unrealised gain of SKK 192 thousand (SKK 126 thousand as of 31 December 1999).

The movements in provisions were as follows (in thousands of Slovak crowns):

	2000	1999
1 January	37,226	50,774
Creation	33,971	15,194
Released to profit	(20,863)	(32,201)
Exchange rate difference	–	3,459
31 December	50,334	37,226

(8) EQUITY SHARES

The Bank keeps the following investments in affiliated companies in the book value (in thousands of Slovak crowns):

Company name	Percentage owned	2000	1999
Affiliates with controlling interest		279,203	247,047
Tatra Group Servis, s. r. o. (1)	100%	270,005	70,005
Less – provision		(40,802)	(20,000)
Tatra Asset Management, správ. s. a. s. (2)	100%	50,000	20,000
TATRA KUPÓN FOND, i. f. a. s. (3)		–	177,042
Less – provision		–	–
Affiliates with substantial interest		87,542	47,925
Tatra Leasing, s. r. o.	48%	98,425	97,925
Less – provision		(10,883)	(50,000)
Sub-total		366,745	294,972

Main variations in the caption of equity shares are:

- (1) Tatra Group Servis increased its basic capital to SKK 270,000 thousand. The Bank subscribed the whole amount.
- (2) Tatra Asset Management, správ. s. a. s., increased its basic capital to SKK 50,000 thousand. The Bank subscribed the whole amount.
- (3) The management of Tatra kupón fond, i. f. a. s., has started the transformation of investment fund into open mutual fund based on the permission of Ministry of Finance of Slovak Republic a therefore this investment was reclassified into trading securities as of 31 December 2000 (see note 7).

Company name (continue)	Percentage owned	2000	1999
Other companies		16,682	16,066
Autorizačné centrum Slovenska, a. s.	14.50%	11,550	11,550
Bankové zúčtovacie centrum, a. s.	0.99%	3,000	3,000
Burza cenných papierov Bratislava, a. s.	0.26%	300	300
SWIFT, s. c. Belgium	29 shares	1,832	1,216
Other		–	–
Total		383,427	311,038

The basic data about the affiliates from the audited financial statements were as follows:

Company name	Address	Activity	Auditor
Tatra Group Servis, s. r. o.	Vajanského 5, Bratislava	Services	BMB Partners
Tatra Asset Management, i. s. a. s.	Vajanského 5, Bratislava Administration Company		Arthur Andersen
Tatra Leasing, s. r. o.	Vajanského 5, Bratislava	Leasing	Arthur Andersen

31 December 2000	Thousands of Slovak crowns		
	Capital & Reserves	Current Year Profit/Loss	Total Equity
Affiliates with controlling interest			
Tatra Group Servis, s. r. o.	243,332	(14,976)	228,356
Tatra Asset Management, správ. spol. a. s.	51,652	2,125	53,777
Affiliates with substantial interest			
Tatra Leasing, s. r. o.	63,398	70,971	134,369

The movements in provisions for equity shares were as follows (in thousands of Slovak crowns):

	2000	1999
1 January	70,000	114,021
Creation	20,802	50,000
Released to profit	(39,117)	(94,021)
31 December	51,685	70,000

(9) TANGIBLE FIXED ASSETS

The movements of tangible fixed assets during the year 2000 were as follows (in thousands of Slovak crowns):

	Land and buildings	Machinery & equipm.	Other fixed assets	Means of transport	Construct. in progress and advances	Total
Cost						
31 December 1999	592,409	1,037,468	301,241	28,205	67,162	2,026,485
Additions	–	–	–	–	609,486	609,486
Disposals	(9,502)	(42,988)	(22,593)	–	–	(75,083)
Additions of leased assets	–	5,137	–	5,559	–	10,696
Transfers from tangibles in progress	163,648	257,963	96,004	12,387	(530,002)	–
Transfers	–	(23,748)	23,748	–	(383)	(383)
31 December 2000	746,555	1,233,832	398,400	46,151	146,263	2,571,201
Accumulated depreciation						
31 December 1999	(107,353)	(696,327)	(165,506)	(23,518)	–	(992,704)
Charge for the year	(35,816)	(257,832)	(72,434)	(5,447)	–	(371,529)
Disposals	9,502	42,988	22,593	–	–	75,083
Additions of leased assets	–	(5,137)	–	(5,559)	–	(10,696)
Transfers	–	17,805	(17,805)	–	–	–
Adjustments	–	–	–	–	–	–
31 December 2000	(133,667)	(898,503)	(233,152)	(34,524)	–	(1,299,846)
Net book value 2000	612,888	335,329	165,248	11,627	146,263	1,271,355
Net book value 1999	485,056	341,141	135,735	4,687	67,162	1,033,781

The main variations in this caption of the accompanying balance sheet during 2000 occurred in connection with opening of 19 branches.

Insurance coverage

Tangible fixed assets are insured covering a maximum risk of SKK 1,267,776 thousand against natural disaster, SKK 1,177,841 thousand against water damage, SKK 293,821 thousand against theft and vandalism. Electronic equipment is insured covering a maximum risk of SKK 166,935 thousand.

Future investment plans

The bodies of the Bank have approved the following major investments for the future accounting periods:

	Thousands of Slovak crowns
Buildings – reconstruction, purchase	165,289
Office equipment	187,906
Cars	23,500
Telecommunication system	49,526
Hardware, software	254,023
Total	680,244

(10) INTANGIBLE FIXED ASSETS

The movements in this caption during the year 2000 were as follows (in thousands of Slovak crowns):

	Software	progress	Intangibles in Total
Cost			
31 December 1999	436,352	–	436,352
Additions	–	384,240	384,240
Transfers from intangibles in progress	73,111	(73,111)	–
Transfers	–	383	383
31 December 2000	509,463	311,512	820,975
Accumulated depreciation			
31 December 1999	(247,213)	–	(247,213)
Charge for the year	(103,005)	–	(103,005)
31 December 2000	(350,218)	–	(350,218)
Net book value 2000	159,245	311,512	470,757
Net book value 1999	189,139	–	189,139

The main variations in this caption of the accompanying balance sheet during 2000 occurred in connection with the implementation of Globus banking software within the whole group.

Insurance coverage

Intangible fixed assets are not insured.

(11) PREPAYMENTS AND OTHER ASSETS

Prepayments and other assets comprise (in thousands of Slovak crowns):

	2000	1999
Interest receivable accruals	653,261	442,483
Tax receivable	147,992	123,395
Operating advances	27,980	173,919
Own shares for sale	13,953	15,739
Prepayments	145,753	161,821
Other	235,909	83,361
Less: provision	(31,422)	(20,877)
Total	1,193,426	979,841

The movements in provisions were as follows (in thousands of Slovak crowns):

	2000	1999
1 January	20,877	5,801
Creation	13,819	20,781
Released to profit	(3,274)	(6,552)
Exchange rate difference	–	847
31 December	31,422	20,877

(12) AMOUNTS OWED TO BANKS

Amounts owed to banks are represented by deposits by banks and loans received from financial institutions.

a) Deposits banks were repayable, according to initial maturity, as follows (in thousands of Slovak crowns):

	2000	1999
Repayable within:		
– less than 3 months	2,322,721	6,891,976
– 3 months to one year	458,169	3,105,000
– one to five years	100,000	–
– more than five years	–	295,000
Total	2,880,890	10,291,976

b) Loans received are granted by following foreign financial institutions (in thousands of Slovak crowns):

	2000	1999
EXIM Japan	1,370,760	1,395,369
European Investment Bank	487,014	515,737
European Bank Reconstruction & Development	134,970	260,496
Other	–	–
Total	1,992,744	2,171,602

c) As of 31 December 2000, the amount of interbank transfers was SKK 1,974,505 thousand.

(13) SUBORDINATED LIABILITIES

The Bank obtained in 1996 a long-term loan from the European Bank for Reconstruction & Development (EBRD) of DEM 25 million, repayable in five equal annual instalments from 6 November 2002 to 6 November 2006.

As of 31 December 2000, the outstanding balance of this debt amounted to SKK 562,375 thousand (SKK 542, 700 thousand as of 31 December 1999). The loan is subordinated to the claims of all other creditors.

(14) CUSTOMER DEPOSITS

Customer deposits comprised (in thousands of Slovak crowns):

	2000	1999
Current accounts	25,302,177	18,584,880
Term deposit accounts	31,795,578	17,873,587
Savings accounts	3,276,139	2,368,032
Deposit certificates	640,535	316,455
Total	61,014,429	39,142,954

Customer deposits, according to contractual maturity, are as follows (in thousands of Slovak crowns):

	2000	1999
Repayable within:		
– up to three months	55,810,335	36,000,944
– up to one year	4,856,355	2,949,363
– one to five years	311,835	192,260
– more than five years	35,904	387
Total	61,014,429	39,142,954

(15) OTHER LIABILITIES

Other liabilities comprised (in thousands of Slovak crowns):

	2000	1999
Accrued interest payable	496,818	480,891
Deferred revenues	24,202	117,775
Estimated liabilities	115,927	97,551
FX Swap revaluation	–	132,141
Other	34,648	52,579
Total	671,595	880,937

(16) PROVISIONS AND RESERVES FOR LOAN LOSSES

The movements in 2000 in the accounts adjusting the value of loans, were as follows (in thousands of Slovak crowns):

	Specific	Legal	Other	Total
Balance at 1 January	725,420	245,926	1,626,038	2,597,384
Creation	519,650	89,037	755,008	1,363,695
Released to profit	(697,462)	(8,948)	(269,499)	(975,909)
Exchange rate difference	15,694	–	7,391	23,085
Balance at 31 December	563,302	326,015	2,118,938	3,008,255

The Bank creates the legal reserve in accordance with Act No. 368/1999 Coll.

In addition to this, the Bank created other reserve in amount of approx. 5% of all credit exposure uncovered by specific reserve. The purpose of this reserve is to cover potential losses not specifically identified but which experience indicates are present in the portfolio of loans.

Total general reserve for risk assets amounts to SKK 2,444,953 thousand as of 31 December 2000 (SKK 1,871,964 thousand as of 31 December 1999). The general reserve balance of SKK 171,221 thousand relates to specific risks in the off-balance sheet (SKK 193,492 thousand as of 31 December 1999) and the rest to general loan risk.

The movements in 1999 in the accounts adjusting the value of loans, were as follows (in thousands of Slovak crowns):

	Specific	Legal	Other	Total
Balance at 1 January	1,169,839	194,491	901,227	2,265,557
Creation	958,673	51,435	1,154,516	2,164,624
Released to profit	(1,417,804)	–	(436,064)	(1,853,868)
Exchange rate difference	14,712	–	6,359	21,071
Balance at 31 December	725,420	245,926	1,626,038	2,597,384

(17) SHAREHOLDER'S EQUITY

The variations in 2000 in this caption of the accompanying balance sheets are summarised as follows (in thousands of Slovak crowns):

	Basic capital	Share premium	Reserves	Retained earnings	Profit for the year	Total
1 January	1,044,320	115,792	152,045	2,271,684	1,549,107	5,132,948
Increase of basic capital	–	–	–	–	–	–
Employee shares	–	15,732	–	–	–	15,732
Unpaid dividends	–	–	–	11	–	11
Profit distribution:	–	–	–	–	–	–
– reserve fund	–	–	104,432	–	(104,432)	–
– dividends and emoluments	–	–	–	–	(310,852)	(310,852)
– retained earnings	–	–	–	1,122,351	(1,122,351)	–
– social fund	–	–	–	–	(11,472)	(11,472)
Profit for the year	–	–	–	–	1,820,965	1,820,965
31 December 2000	1,044,320	131,524	256,477	3,394,046	1,820,965	6,647,332

Share capital

The major shareholders of the Bank (in percentages) as of 31 December 2000 and 1999 were as follows (excluding employees' share):

Shareholder	2000	1999
Raiffeisen Zentralbank (RZB)	72.26%	72.26%
Tatra Holding	14.11%	14.11%
Other	13.63%	13.63%
Total	100%	100%

Other parts of restricted shareholder's equity

Other parts of restricted shareholder's equity, such as the legal reserve, amount to SKK 208,864 thousand (SKK 104,432 thousand as of 31 December 1999). The use of this reserve is regulated by the Commercial Code of the Slovak Republic.

Proposal for 2000 profit distribution (in thousands of Slovak crowns)

	2000
Transfer to legal reserve fund	–
Dividends - ordinary shares	451,944
Dividends - employee shares	5,442
Social fund creation	16,390
Emoluments	12,000
Transfer to retained earnings	1,335,189
Total	1,820,965

Employee shares

Further to the Articles of Association, the Bank sells own shares to its employees as a form of motivation programme. Upon the employees' request, the Bank is obliged to re-purchase these shares. It is possible to apply the right for redemption after a 3-year period of holding the shares.

The difference between nominal value of shares and sale price is recorded in the Bank's share premium.

The total Bank's commitment in respect of redeemable sale of shares by employees amounts to SKK 26,757 thousand as of 31 December 2000.

(18) SOCIAL FUND

The variations in the Social Fund were as follows (in thousands of Slovak crowns):

	2000	1999
Balance as of 1 January	8,799	5,265
Creation	19,278	13,512
Usage	(14,467)	(9,978)
Balance as of 31 December	13,610	8,799

The social fund was created by charging it to expenses of the year (2000: SKK 2,888 thousand, 1999: SKK 2,040 thousand) and from distribution of profit (2000: SKK 16,390 thousand, 1999: SKK 11,472 thousand). It is used for catering of employees (2000: SKK 1,973 thousand, 1999: SKK 622 thousand), healthcare (2000: SKK 4,037 thousand, 1999: SKK 2,236 thousand) and other social benefit (2000: SKK 8,457 thousand, 1999: SKK 7,120 thousand).

(19) ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Bank's balance sheet includes assets and liabilities denominated in foreign currencies. The aggregate of these translated into thousand of Slovak crowns were as follows:

31 December 2000	SKK	USD	EUR	DEM	ATS	Other	Total
Assets							
Cash and cash equivalents	7,208,163	515,070	210,351	180,220	96,946	535,253	8,746,003
Loans to banks	6,303,300	4,715,205	1,583,856	-	-	103,493	12,705,854
Loans to customers	25,664,499	1,719,444	2,083,099	3,337,171	1,098,259	972,140	34,874,612
Trading securities	14,570,952	1,521,701	2,498,071	21,540	108,125	-	18,720,389
Equity shares	381,595	-	1,832	-	-	-	383,427
Tangible fixed assets	1,271,355	-	-	-	-	-	1,271,355
Intangible fixed assets	470,757	-	-	-	-	-	470,757
Prepayments and other assets	1,017,456	70,765	27,328	47,023	15,684	15,170	1,193,426
Liabilities and shareholders funds							
Deposits by banks	4,439,602	1,071,075	589,833	346,218	35,292	366,119	6,848,139
Subordinated liabilities	-	-	-	562,375	-	-	562,375
Customer deposits	43,570,554	7,479,384	3,183,872	4,419,645	1,405,562	955,412	61,014,429
General reserve	2,453,932	-	-	168,021	-	-	2,621,953
Other liabilities	511,661	66,753	63,694	23,991	3,011	2,485	671,595
Shareholders' equity	6,647,332	-	-	-	-	-	6,647,332
Balance sheet currency position	(735,004)	(75,027)	2,567,138	(1,934,296)	(124,851)	302,040	-

The balance sheet currency position does not include the off balance sheet items, therefore the table above does not present the net currency position.

(20) OFF-BALANCE SHEET FINANCIAL COMMITMENTS AND CONTINGENCIES

The off-balance sheet financial commitments and contingencies held by the Bank as of 31 December 2000 and 1999 comprised:

a) Guarantees and letters of credit

Thousands of Slovak crowns	2000	1999
Commitments given:		
– Guarantees	6,851,927	6,191,313
– Classified guarantees	164,948	392,509
– Letters of credit	160,273	225,943
– Classified letters of credit	63,577	–
Commitments received:		
– Guarantees	15,053,238	3,859,007

The guarantees given represent a credit exposure. The Bank creates reserves for this exposure the same way as for the loans and advances to customers.

b) Undrawn loan facilities

As of 31 December 2000, the Bank had SKK 9,288,139 thousand in undrawn loan facilities (SKK 8,278,603 thousand as of 31 December 1999).

c) Other values in evidence

In the normal course of business the Bank entered into lease agreements for vehicles, office equipment and branch facilities. Payments under these leases extend in most of the cases over a 3-year period.

The cost of these assets used by the Bank as of 31 December 2000 amounted to SKK 28,172 thousand (SKK 38,431 thousand as of 31 December 1999).

Other values in evidence represent securities issued abroad and acquired for clients. These securities acquired in the name of the Bank on clients' account are the Bank's commitment to clients of SKK 2,332,202 thousand as of 31 December 2000.

d) Legal actions

In the ordinary course of business, the Bank is subject to legal actions and complaints. The Board of Directors believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial situation or the results of future operations of the Bank.

e) Values in custody

The Bank shows as of 31 December 2000 the sum of SKK 144,000 thousand representing deposit certificates in custody for clients. The amount of securities in the Bank's custody as of 31 December 2000 is SKK 3,123,259 thousand.

f) Undrawn commitments for granting a loan

As of 31 December 2000, the amount of 5,115,200 thousand represents a loan commitment from the parent company Raiffeisen Zentralbank (RZB).

g) Collateral in the form of transfer of title

In the off-balance sheet, the Bank discloses the amount of SKK 355,470 thousand representing the assets in the form of received collateral embodying the transfer of title to loans granted.

(21) DERIVATIVE FINANCIAL INSTRUMENTS

The outstanding derivative transactions as of 31 December 2000 and 1999 entered into by the Bank were as follows (in thousands of Slovak crowns):

Thousands of Slovak crowns	2000	1999
Interest rate contracts		
Assets	7,364,514	1,085,664
Liabilities	(5,951,115)	(912,364)
Foreign exchange contracts		
Assets	18,840,133	7,944,896
Liabilities	(18,692,634)	(8,046,309)
Spot transactions		
Assets	2,162,008	1,334,635
Liabilities	(2,161,423)	(1,333,356)
Option transactions		
Assets	–	1,999,580
Liabilities	–	(1,999,580)
Total derivatives	1,561,483	73,166

The fair value of these transactions reflects the credit and other types of economic risk to the Bank.

The maturity of derivative financial instruments as of 31 December 1999 was as follows (in thousands of Slovak crowns):

	Up to and including 3 months	Over 3 months and up to 1 yr.	Over 1 year	Total
Interest rate contracts				
Assets	2,513,399	300,000	4,551,115	7,364,514
Liabilities	1,100,000	300,000	4,551,115	5,951,115
Foreign exchange contracts				
Assets	16,594,311	2,245,822	–	18,840,133
Liabilities	16,467,065	2,225,569	–	18,692,634

(22) NET INTEREST INCOME

Net interest income comprises (in thousands of Slovak crowns):

	2000	1999
Interest income:		
– on loans receivable	2,781,046	2,810,342
– on accounts and placements with other banks	735,228	947,147
– on state treasury bills	–	100,963
Interest expense:		
– on current and deposit accounts of the customers	(2,381,808)	(1,850,887)
– on accounts and deposits of other banks	(803,184)	(1,253,555)
Net interest income	331,282	754,010

A breakdown of the synthetic account no. 712 according to the analytical evidence mentioned in the specific decrees No. 65/355/1996 of the Ministry of Finance of the Slovak Republic dated 11 November 1996 is as follows (in thousands of Slovak crowns):

Income – operations with clients (712)	2000	1999
Interest from loans	2,387,768	2,200,785
Interest from overdrafts	393,278	609,557
Fees and commissions	322,157	248,123
Total	3,103,203	3,058,465

(23) NET SECURITIES INCOME

Net securities income comprises (in thousands of Slovak crowns):

	2000	1999
Securities income:		
Fixed income securities	3,143,678	1,541,561
Shares and variable yield securities	7,708	13,662
Securities expenses:		
Fees and premium amortised	(347,694)	(30,661)
Net securities income	2,803,692	1,524,562

(24) OPTION PREMIUM

The Bank dealt with currency options this year. The position of the Bank was fully hedged during the whole year (in thousands of Slovak crowns):

	2000	1999
Option premium received	532,008	739,148
Option premium paid	(511,068)	(712,000)
Total	20,940	27,148

(25) OTHER INCOME

Other income comprises (in thousands of Slovak crowns):

	2000	1999
Extraordinary income	18,590	53,236
Other income	3,552	7,594
Gain from sale of fixed assets	6,262	600
Total	28,404	61,430

(26) PAYROLL EXPENSES

The breakdowns of the payroll expenses are as follows (in thousands of Slovak crowns):

	2000	1999
Wages & salaries	552,704	382,508
Social security and health insurance	152,647	105,100
Bonuses to the statutory representatives	–	–
Total	705,351	487,608

The average number of employees during the periods was as follows:

	2000	1999
Management	6	5
Other employees	1,671	1,288
Total	1,677	1,293

The bank had 9 members of the Supervisory Board (1999: 9 members) during the year.

(27) TAX SITUATION

The reconciliation between the accounting profit and the taxable base of the corporate Income Tax was as follows (in thousands of Slovak crowns):

	2000	1999
Profit for the year	1,820,965	1,733,932
Permanent differences:		
Non-taxable income from state bonds	(1,882,650)	(1,417,695)
Non deductible expenses	125,977	150,775
Other deductions	(376,317)	(217,472)
Tax base	(312,025)	249,540
Temporary differences:		
Net creation of provisions and reserves	272,535	212,522
Taxable income	(39,490)	462,062

The varying interpretations that can be made of the tax regulations applicable to the Bank's operations might give rise to tax contingencies which are not susceptible to objective quantification. The Board of Directors of the Bank is not aware of any such estimated liabilities that would be material for the financial statements taken as a whole.

(28) LIQUIDITY RISK

Liquidity risk is a measure of the extent to which Bank may be required to raise funds to meet its commitments associated with financial instruments.

The table below provides an analysis of assets, liabilities and shareholders' equity into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity dates. It is presented under the most prudent consideration of maturity dates where options or repayment patterns allow for early repayment possibilities. Therefore, in the case of liabilities the earliest possible repayment date is shown while for assets it is the latest possible collection date. Based on the regulation of NBS the bank included all state securities and listed securities into category "up to and including 1 month" regardless of their actual maturity. Those assets and liabilities that do not have contractual maturity date are grouped together under the "maturity undefined" category.

The liquidity position as of 31 December 2000 in thousands of Slovak crowns was as follows:

31 December 2000	Up to and including 3 months	Over 3 months and up to 1 year	Over 1 and up to and incl. 5 years	Over 5 years	Maturity undefined or loans classified	Total
Assets	53,099,810	7,614,696	12,244,430	997,806	4,409,081	78,365,823
Cash and cash equivalents	8,746,003	–	–	–	–	8,746,003
Loans to banks	11,205,854	1,100,000	400,000	–	–	12,705,854
Loans to customers	17,173,497	6,310,456	10,656,408	575,894	158,357	34,874,612
Trading securities	15,680,123	76,016	1,143,927	410,464	1,409,859	18,720,389
Equity shares	–	–	–	–	383,427	383,427
Fixed assets	–	–	–	–	1,742,112	1,742,112
Prepayments and other assets	294,333	128,224	44,095	11,448	715,326	1,193,426
Liabilities and shareholders funds	64,317,352	3,463,947	1,586,366	574,680	8,423,478	78,365,823
Amounts owed to banks	4,455,256	526,974	1,034,072	426,300	405,537	6,848,139
Subordinated liabilities	–	–	449,900	112,475	–	562,375
Customer deposits	58,013,575	2,811,420	102,394	35,905	51,135	61,014,429
Other liabilities	27,556	125,553	–	–	518,486	671,595
General reserve	–	–	–	–	2,621,953	2,621,953
Shareholders' equity	1,820,965	–	–	–	4,826,367	6,647,332
Liquidity position as of 31/12/00	(11,217,542)	4,150,749	10,658,064	423,126	(4,014,397)	–
Off balance sheet assets	26,896,202	3,837,815	7,827,755	855,728	–	39,417,500
Off balance sheet liabilities	32,922,952	3,482,086	4,580,072	2,092,283	256,643	43,334,036
Off balance sheet position as of 31/12/00	(17,244,292)	4,506,478	13,905,747	(813,429)	(4,271,040)	(3,916,536)
Total cumulative liquidity position	(17,244,292)	(12,737,814)	1,167,933	354,504	(3,916,536)	–

(29) ESTIMATED REALISABLE VALUE INFORMATION

It is the opinion of the Management, based on the assumptions set out below, that unless otherwise stated the estimated realisable value of the Bank's financial assets and liabilities are not materially different from the amounts stated in the balance sheets at 31 December 2000 and 1999.

The balance sheet value of loans stated net of provisions is deemed to approximate their realisable value, while it is assumed that the fair value of liabilities and of near maturity yield assets, other assets and prepayments, and accrued income is equivalent to their book value. Shares and other variable yield securities and traded fixed income securities, together with any related off balance sheet instruments, are stated at lower of cost or market value in the balance sheet.

(30) RELATED PARTIES

Related parties include shareholders, members of the Board of Directors, other employees and companies in which the Bank's investment is in excess of 10% of the shares. The total amount of credit exposure to related parties as of 31 December 2000 was SKK 1,107,435 thousand (1999: SKK 452,783 thousand). In comparison with the previous period, the increase represents mainly loans granted to daughter companies.

(31) RECONCILIATION WITH INTERNATIONAL ACCOUNTING STANDARDS

As explained in note 2, the Bank prepares its financial statements in accordance with generally accepted accounting principles in the Slovak Republic. These do not differ significantly from International Accounting Standards.

The main differences affecting the Capital and Reserves and the Profit and Loss account in thousands of Slovak crowns are as follows:

	2000		1999	
	Capital & reserves	Profit for the period	Capital & reserves	Profit for the period
Under Slovak GAAP	4,826,367	1,820,965	3,583,841	1,549,107
Consolidation effect:				
– Tatra Leasing, s. r. o.	115,271	86,510	21,976	93,294
– Tatra Group Servis, s. r. o.	(9,854)	–	(9,854)	–
Taxation – deferred	929,188	3,801	867,557	61,631
Under IAS	5,860,972	1,911,276	4,463,520	1,704,032

AUDITORS' REPORT

To the shareholders of
Tatra banka, a. s.:

We have audited the accompanying financial statements of Tatra banka, a. s., ("the Bank") comprising the balance sheet as of 31 December 2000 and 31 December 1999 and the related profit and loss accounts and notes including the cash flows statements, for the years then ended. These financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Slovak Chamber of Auditors (SKAU). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and their compliance with the accounting legislation, as well as assessing significant estimates made by the Bank's Board of Directors, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tatra banka, a. s., as of 31 December 2000 and 31 December 1999, and the results of its operations for the years then ended in accordance with Act No. 563/1991 Coll., on Accounting and other relevant accounting legislation in the Slovak Republic.



ARTHUR ANDERSEN
Slovensko, spol. s r. o.
SKAU License No. 146

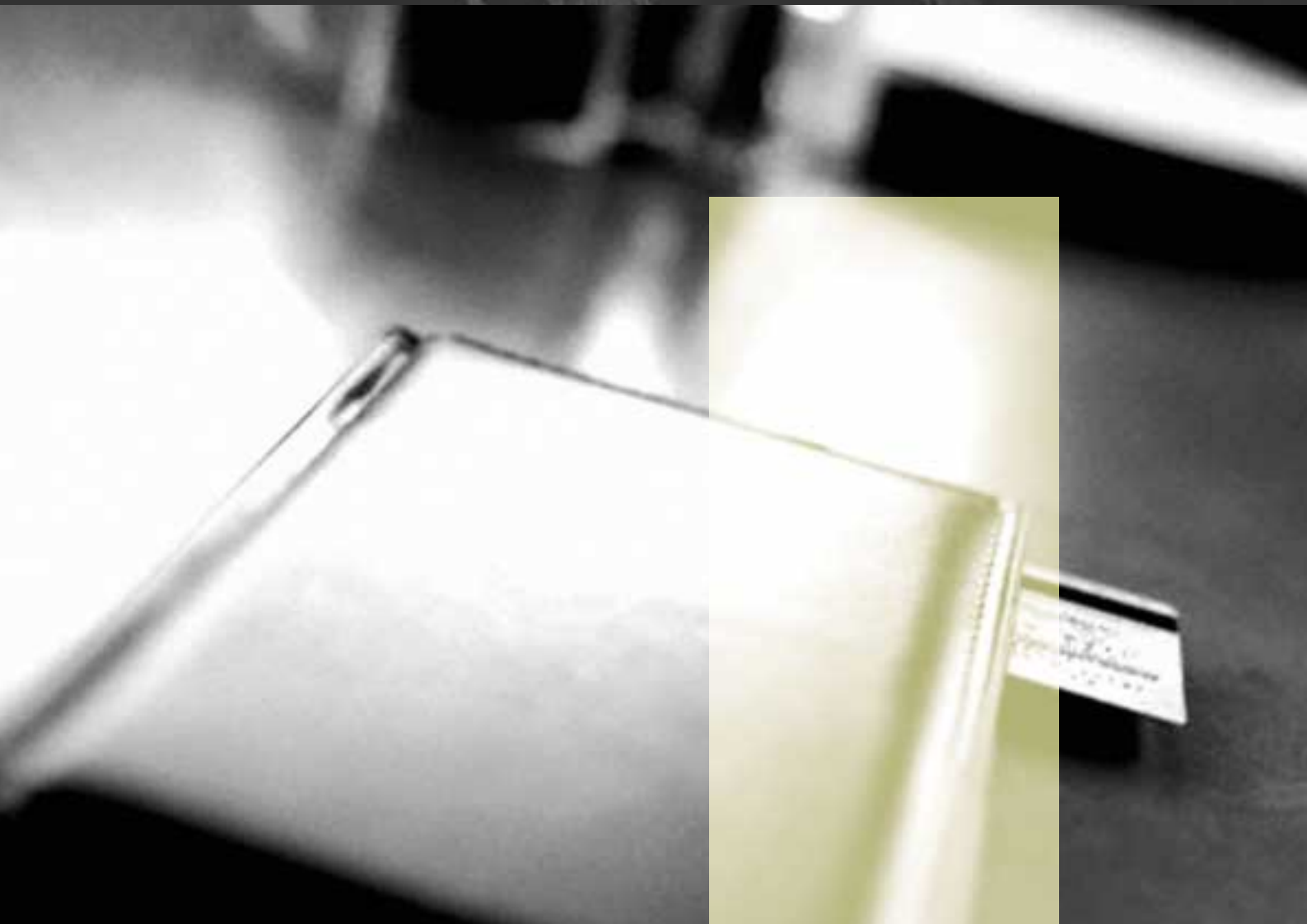


Ján HOLÍČKA
SKAU License No. 715

16 February 2001
Panská 14
Bratislava, Slovak Republic



p r o p o s a l f o r t h e
d i s t r i b u t i o n o f t h e p r o f i t
d i s t r i b u t i o n o f t h e
p r o f i t



Proposal for the distribution of the profit

for the year 2000

in thousands of SKK	
Profit before change of reserves	1,820,965
Ordinary dividends on ordinary shares	451,944
Ordinary dividends on employees' shares	5,442
Remunerations	12,000
Transfer to Social Fund	16,390
Transfer to Legal Reserve Fund	0
Transfer to retained earnings from previous years	1,335,189



t h e o r g a n s

o f t h e c o m p a n y
o f t h e c o m p a n y

The Organs of the company

as of December 31, 2000

Supervisory Board

Milan Vrškový

Chairman of the Supervisory Board

Herbert Stepic

Deputy Chairman of the Supervisory Board
Deputy General Manager
Raiffeisen Zentralbank Österreich AG
Vienna

Peter Baláž

Professor
Economic University
Bratislava

Reinhard Böck

Direct Business Division Head
Uniqua (Otčina) Insurance Company
Vienna

Walter Grün

Member of the Board of Directors
Raiffeisenlandesbank Niederösterreich –
Wien, reg. Ges.m.b.H.
Vienna

Renate Kattinger

Vice-President
Raiffeisen Zentralbank Österreich AG
Vienna

Ján Neubauer

Financial Director
Fit Plus, spol. s r. o.
Bratislava

Jolana Petrášová

Deputy Chairman of the Board of Directors and
Vice-President for Operations and Personnel
Slovnaft, a. s.
Bratislava

Štefan Tesák

General Manager
Slovalco, a. s.
Žiar nad Hronom

Management

Board of Directors:**Rainer Franz**

General Manager

Miroslav Uličný

Deputy General Manager

Igor Vida

Deputy General Manager

Philippe Moreels**Christian Masser****Ivan Šramko****Procurists:****Oľga Džuppová****Pavol Feitscher****Pavel Karel****Marcel Kaščák**

RZB Network



RZB-Austria and the RZB-Group at a glance

May 2001

RZB-Austria (Raiffeisen Zentralbank Österreich AG) is the head institution of the Austrian Raiffeisen Banking Group, the largest purely Austrian banking group in terms of consolidated total assets (EUR 97.5 billion¹). It represents 25 per cent of all domestic credit business and comprises the country's largest banking network with some 2,360 offices and 21,000 employees throughout Austria. The Austrian Raiffeisen Banking Group consists of Raiffeisenbanks on the local level, "Raiffeisenlandesbanken" on the provincial level and RZB as head institution. Raiffeisenbanks are private credit institutions with the legal form of cooperatives, operating as general service retail banks. Each province's Raiffeisenbanks are cooperative members of the respective Raiffeisenlandesbank and they in turn own approximately 88 per cent of RZB's ordinary shares.

The foundation of Raiffeisenbanks goes back to an initiative of the German Friedrich Wilhelm Raiffeisen (1818-1888), who, by founding the first Raiffeisen cooperative banking association in 1862, has laid the cornerstone of what has since become the global organisation of Raiffeisen cooperative societies. According to Raiffeisen's fundamental principle of self-help, the promotion of their members' interests is a key objective of their business policies.

Founded in 1927, RZB-Austria provides the full range of commercial and investment banking services.

RZB-Austria is regarded a pioneer in Central and Eastern Europe (CEE) and ranks today among the leading banks in the region covering the following countries with both commercial and investment banking services:

- since 1987 Hungary: Raiffeisen Bank Rt.
- since 1991 Slovakia: Tatra banka, a.s.
- since 1991 Poland: Raiffeisen Bank Polska S.A.
- since 1993 Czech Republic: Raiffeisenbank a.s.
- since 1994 Bulgaria: Raiffeisenbank (Bulgaria) A.D.
- since 1995 Croatia: Raiffeisenbank Austria d.d.
- since 1997 Russia: ZAO Raiffeisenbank Austria
- since 1998 Ukraine: JSCB Raiffeisenbank Ukraine
- since 1998 Romania: Raiffeisenbank (Romania) S.A.
- since 2000 Bosnia and Herzegovina: Raiffeisen Bank d.d. Bosnia and Herzegovina (formerly Market banka d.d.)
- since 2001 Bosnia and Herzegovina: Raiffeisen Bank HPB d.d. (former Hrvatska Postanska Banka d.d., Mostar)
- since 2001 Romania: Banca Agricola S.A.

In Yugoslavia, the opening of a subsidiary bank is currently being prepared. In Poland, the Czech Republic, Slovakia, Hungary, Croatia and Russia RZB-Austria also provides consumer banking products designed for above-average income individuals.

RZB-Austria's subsidiaries show combined assets of approximately EUR 6.9 billion and run some 200 banking locations throughout the region. The Group employs a staff of more than 5,400 in CEE, five times as much as in its headquarters in Vienna.

In 2001, RZB has expanded its commitment in CEE considerably by acquiring Hrvatska Postanska Banka in Bosnia and Herzegovina and Banca Agricola in Romania. In addition to its banking operations – which are complemented by representative offices in Slovenia (Ljubljana) and Russia (Moscow) – RZB-Austria runs several specialist companies in CEE offering solutions in the areas of M&A, real estate development, fund management, leasing, mortgage banking and trade.

In Western Europe and the USA, RZB-Austria's operations include a branch in London, representative offices in New York, Brussels, Milan and Paris as well as a finance company in New York and a subsidiary in Malta.

In Asia, RZB-Austria runs branches in Singapore and Beijing as well as representative offices in Hong Kong, Ho Chi Minh City, Mumbai (Bombay), Tehran and Seoul. This international presence clearly underlines the bank's emerging markets strategy.

In 2000, the RZB Group succeeded again in expanding its balance sheet total in a two digits range (26.6 per cent, year over year), showing total assets of EUR 36.6 billion. The Group's Operating Profit reached an all-time-high of EUR 301.3 million.

- This result provides a solid basis for RZB-Austria's main targets
- to position itself as the leading commercial bank for Austrian Top-1,000 customers as well as multinational groups operating in CEE;
 - to strengthen its standing as one of the top investment banks;
 - to underline its market leadership in CEE and particularly in RZB-Austria's core market Central Europe.

In 1999, RZB-Austria was awarded the title "Best Bank in Central and Eastern Europe" by the international financial magazine Euromoney. And also in 2000, the CEE-subidiaries of the RZB Group received more than ten awards by different magazines. In May 2001, the financial magazine Global Finance selected RZB as "Best Bank in Central and Eastern Europe".

RZB-Austria currently shows the following ratings:

- A1 (short term/Standard & Poor's)
- P-1 (short term/Moody's)
- A1 (long term/Moody's)
- C+ (Financial Strength/Moody's)
- 2 (legal/IBCA)

RZB-Austria is member of the Unico Banking Group, a co-operation platform of European cooperative banks. With a total equity of approx. EUR 130 billion and an aggregate balance-sheet total of approx. EUR 2,500 billion, Unico is by far the largest banking group in Europe. 50 million customers are attended to by a staff of 400,000 in 40,000 banking outlets. Market shares of 21 per cent in loans and 15 percent in deposits underline the group's importance.

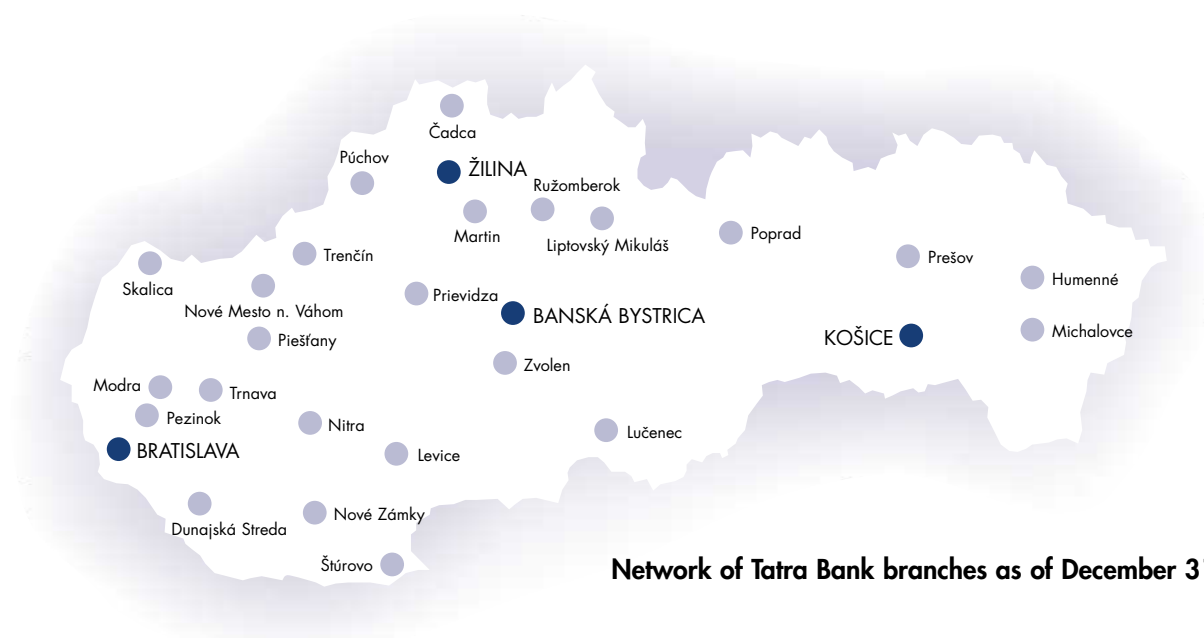
RZB-Austria (Raiffeisen Zentralbank Österreich AG)

Am Stadtpark 9
A-1030 Vienna
Tel.: +43.1 / 71707-0
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Internet: www.rzb.at

¹ all figures as of 31 December 2000

Network

of business locations throughout Slovakia



Network of Tatra Bank branches as of December 31, 2000

Total number of branches: 69

Bratislava:	head office, 4 regional branches, 42 branches
Košice (East of Slovakia):	regional branch, 11 branches
Banská Bystrica (Middle of Slovakia):	regional branch, 7 branches
Žilina (North of Slovakia):	regional branch, 9 branches

Branches and sub-branches

of Tatra Bank as of December 31, 2000

Bratislava – Middle, regional branch

Dunajská 4
Františkánske nám. 3
Karloveská 1 – Riviera
Kopčianska 90
Na vršku 12
Panónska cesta – Obchodné centrum Danubia
Petržalka – Hypermarket Tesco
Prievozska 6/A
Továrenská 10
Tupolevova 3/a
ul. 29 augusta 2
Vajanského nábr. 5
Viedenská cesta 85
Jarovce

Bratislava – West, regional branch

J. Jonáša 3 (Devínska Nová Ves)
Saratovská 2/A
Stromová 9
Štefánikova 17
Štefánikova 21
Vajnorská – Polus City Center

Bratislava – East, regional branch

Galvaniho 2/A
Herlianska 9
Kaštielska 1/A
Letisko M. R. Štefánika
Miletičova 42
Nám. M. Benku 8
Staviteľská 7
Tomášikova 14
Dunajská Streda, Galantská cesta
Štúrovo, Hlavná 54

Bratislava – North, regional branch

Račianska 62/B
Levice, Mlynská 3
Modra, Nám. Ľ. Štúra 78
Nitra, Štefánikova 61
Nové Mesto n. Váhom, ul. Čsl. armády 18
Nové Zámky, Petőfiho 3
Pezinok, Bratislavská 83
Piešťany, A. Hlinku 46
Skalica, Nám. Slobody 98
Trnava, Hlavná 5
Trnava, Veterná 40 – Obchodný dom Tesco
Trenčín, Palackého 6

Košice, regional branch

Rooseveltova 1
Štúrova 28
Toryská 3
Tr. KVP 1, Billa
Trolejbusová 1, obchodný dom Tesco
Košice – Šaca, Železiarenská 49
Humenné, Nám. Slobody 54
Michalovce, Jaroslawska 11
Poprad, Nám. sv. Egídia 95
Prešov, Ľubochnianska 2
Prešov, Nám. Legionárov 1

Banská Bystrica, regional branch

Dolná 4
Nám. slobody 4
Zvolenská cesta, obchodný dom Tesco
Liptovský Mikuláš, Garbiarska 2583
Lučenec, Kubínyho nám. 10
Prievidza, Nám. Slobody 1
Ružomberok, A. Bernoláka 6

Žilina, regional branch

Mariánske nám. 196/6
Obchodná 15
PT, Celulózka 1374
ul. Jána Milca 9
Čadca, Staničná 191
Martin, Na Bystričku 8
Martin, Osloboditeľov 70
Púchov, Svätoplukova 3
Púchov, ul. 1. mája 1655

Principal services

for corporates and individuals

In addition to traditional corporate banking services and products, Tatra Bank provides also specialized financial services on international standards through its branch network with on-line connection across Slovakia, in the head-office or by subsidiary companies. List of banking products and services offered are available also on Internet, through DIALOG service or via Mobile banking.

- *Postal cheques/payment processing*
- *Other services:* exchange services, rental of safes, night safes and mailing boxes

Payments

- domestic
- international

Financing

- SKK and foreign currency facilities: short-, medium- and long-term loans, overdrafts
- Special credit programmes based on funding obtained from the European Investment Bank, EXIM Bank of Japan and European Bank for Reconstruction and Development as well as under the PHARE-programme
- Export/Import financing in SKK and foreign currency
- Real estate and project financing
- Syndicated loans in domestic and international markets

Trade Finance

- Documentary collections
- Forfaiting-purchase of receivables
- Factoring-purchase of receivables with/without recourse
- Financing of warehouse receipts
- Discounting of bills of exchange
- Letters of credit and stand-by letters of credit
- All types of bank guarantees
- Middle and long-term export trade financing
- Buyer's credit in cooperation with export credit agencies
- Short-term trade financing (revolving call loan, blocked overdraft)
- Commodity financing

Corporate banking

Account, electronic and other services

- *Current accounts and time deposits in SKK and in foreign currencies*
- *Current accounts – Social fund in SKK and Reserve fund in SKK*
- *Payment cards:*
 - VISA Electron and Eurocard/MasterCard – international debit cards
 - American Express – foreign credit cards with international usage
 - VISA – international credit cards
- *Internet banking*
- *DIALOG* – placing payment orders, information on account status and movements and other information through phone call with operator, 24 hours a day, 7 days in a week
- *B-mail* – information on customer account balances and movements on the account through the SMS messages sent directly to the cell phone or e-mail address
- *Mobile banking* – information on customer account balances and movements, placing payment orders through mobile phones
- *Telebanking* for domestic and international payments
- *Certificates of deposit*



Treasury and investment banking

- Time deposits in SKK and foreign currency
- Spot, forward and swap transactions
- Brokerage services
- Repo and buy/sell back transactions
- Debt and equity issues
- Structured investment products
- Structured financing products
- Custody services
- I:DEAL

Retail banking

Account, electronic and other services

- *Current accounts, term accounts and savings passbooks in SKK and foreign currencies*
- *Payment cards:*
 - VISA Electron and Eurocard/MasterCard – international debit cards
 - American Express – foreign credit cards with international use
 - VISA and virtual VISA – international credit card
- *Overdraft facilities, consumer and mortgage loans*
- *Internet banking*
- *DIALOG* – placing payment orders, information on account balances and movements, on banking services and products through Bank operator 24 hours a day, 7 days in a week
- *B-mail* – information on customer account balances and movements through the SMS messages sent directly to the cell phone or e-mail address
- *Mobile banking* – information on account balances and movements, placing payment orders through mobile phones
- *TatraPay* – payments in virtual shops via Internet banking
- *CardPay* – payments in virtual shops via payment cards
- *Certificates of deposit*
- *Western Union* – money transfer
- *Cheques* – purchase of Eurocheques and VISA cheques, purchase and sale of Thomas Cook Travellers Cheques and American Express Traveller Cheques, collection of all types of cheques
- *Other services* – exchange services, rental of safes, night safes and mailing boxes, arranging of building society contracts
- *Vinculations*
- *Documentary collections*

- *Letters of credit*
- *Bank guarantees*
- *Brokerage service*

Special services

Leasing of cars, machines and equipment is offered by subsidiary company, Tatra Leasing, spol. s r. o. The subsidiary company Tatra Asset Management, správk. spol., a. s., manages and sells open unit trusts and investment funds.





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