

2001 FINANCIAL STATEMENTS

Raiffeisen *CENTROBANK AG*

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Report of the Executive Board

The most important event of the 2001 financial year was the purchase by Raiffeisen Zentralbank Österreich AG (RZB) of the shares that Dresdner Kleinwort Wasserstein Ltd. and Philadelphia International Equities Inc. held in CENTROBANK. RZB and Raiffeisen-Invest-Gesellschaft mbH thus became the sole owners of Centro Internationale Handelsbank AG, which was renamed Raiffeisen CENTROBANK AG (RCB). Its shares were converted into no-par shares.

RZB's policy was to centralize the equities trading and sales operations of the entire Raiffeisen Banking Group within RCB, thus strengthening RCB's market leadership.

Despite adverse market conditions, we recorded an excellent operating result that was roughly on a par with the previous year. However, profits were diminished by the need for provisioning for risks and write-offs (primarily within RCB's commodity trading subsidiaries).

Net interest income increased by 41.5 per cent to € 7.54 million, whereas **operating income** dropped slightly by 3.3 per cent to € 26.86 million because of a fall in dividend earnings and net income from financial investments.

Despite an increase in depreciation, **staff and operating** expenses fell by 6.3 per cent. The result was a healthy **cost/income** ratio of 49.7 per cent (2000: 51.3 per cent).

The **operating result** came to € 13.52 million (2000: € 13.54 million), which was reduced to € 0.41 million (2000: € 1.18 million) by depreciation, amortization and write-offs at subsidiaries and other related companies.

Profit for the year after provisioning and tax came to € 0.02 million (2000: € 0.07 million).

During the period under review, the balance-sheet total fell by 8.7 per cent to € 669.00 million. That was mainly the consequence of a fall in claims on customers (reduction of € 44.56 million) and a decrease in the securities trading book (reduction of € 67.14 million), in which above all sales of fixed-income securities took place in anticipation of a future rise in interest rates.

The increase in claims on credit institutions was largely attributable to a rise in short-term deposits.

The fall in claims on customers was due partly to maturities of a number of specific financial transactions and partly to falling volumes of commodity trade finance.

In the derivative instruments segment, holdings of shares increased by € 18.25 million to € 45.68 million.

Liabilities to credit institutions and current-account deposits increased by € 59.29 million to € 439.00 million, whereas interbank deposits were static on the year.

Liabilities to customers dropped from € 188.22 million to € 109.85 million, due mainly to maturities of a number of large-scale investments.

Because of maturities of various interest/share bonds, liabilities evidenced by certificates fell by € 31.02 million to € 21.17 million.

Equity after provisioning and tax increased slightly to € 65.60 million (2000: € 65.49 million), which was 9.8 per cent of the balance-sheet total.

The **contributions to profit made by the individual departments** (after direct charges against operating profit and without income from equity participations) was as follows:

Securities Department	31.6%
Special Financial Services	19.9%
Credit Department	16.6%
Subsidiaries	12.8%
Treasury Department	10.3%
Commercial/Countertrade Department	7.5%
Documentary Department	2.9%
Others	(1.6%)
Total	100.0%

The **Credit Department** recorded a business volume of € 337.20 million in 2001. € 54.30 million thereof was collateralized by cash deposits and/or securities and/or shares (2000: € 341.50 million, cash deposits and/or securities € 17.00 million, secondary market € 14.10 million).

Write-offs were needed in the Slovakian shipping finance segment, whereas a composition agreement in the credit insurance segment generated extraordinary income that fell due in 2002.

The **Securities Department** felt the economic downturn in the aftermath of the terrorist attacks in the USA in September. The financial markets saw a sharp decline in money-market rates in nearly every currency, and securities markets suffered heavy losses around the world, especially in the technology sectors.

Despite difficult market conditions, the Securities Department sustained its steady flow of income, recording earnings that fell only just short of the previous year and which were more than satisfactory.

Regional distributions within the Profit and Loss Account were shaped by RCB's continued expansion of its activities to include not only Austria but also Germany and Central Europe.

Our stable profit turnout reflects the low level of market risks during the period under review. The decline in customer-oriented trading volumes due to a general lack of interest in securities trading among both institutional and private investors constituted a bigger risk.

835 warrants for trade in Austria and Germany were issued during 2001 (350 for Austrian stocks, 485 for German stocks). Turnover of warrants was dented by the decline in share

prices and investors' lack of interest in Austrian stocks. However, the demand for RCB warrants in Germany grew substantially, necessitating additional issues on certain tranches of German stocks. Six certificates were also issued.

The Asset Management Department and the *Centrobank SICAV-Strategic Options Fund*, Luxembourg, recorded neutral results for the 2001 financial year.

Our market shares in the spot market and the Austrian Futures and Options Exchange (OeTOB) were virtually static on the year at 20 per cent and 12 per cent, respectively.

The **Treasury Department** recorded a satisfactory result on multi-currency accounts and held few positions on our own account. Earnings were boosted by commission income.

The **Documentary Department's turnover** increased by 3.9 per cent, notwithstanding a sharp fall-off in intra-Group letters of credit.

A decline in investment activities in South-east Asia reduced opportunities for counter-trading by the **Commercial Department**. Most of the department's earnings derived from settlements of long-standing obligations.

The representative office in Bangkok was closed at the end of March 2001 to minimize costs.

With the exception of *Centrottrade Minerals & Metals*, New York, and *Centrottrade Rubber USA*, our **subsidiaries** posted good results in 2001 and will be distributing a dividend of € 1.94 million.

Centrottrade Singapore discontinued its trading activities and will now provide settlement services for the Southeast Asian region. *Centrottrade Rubber USA* showed a small loss of US\$ 0.13 million, most of which was due to the closure of its Akron office. *Centrottrade Deutschland* was able to expand and strengthen its leadership as a rubber and rubber products trader and reported a substantial increase in orders for 2002. *Centrottrade Chemicals* witnessed a slight deterioration in its results in the ailing petrochemical segment but reported a very satisfactory return on equity. *Centrottrade Minerals & Metals*, New York, incurred heavy losses on settlements of long-standing contracts in copper concentrates, which were not counter-balanced by its earnings from contracts in copper anodes. Following a capital increase, its equity was slightly negative. *Centrottrade*

Vienna achieved satisfactory results in the coffee, cocoa and rubber trading segments.

Syrena Immobilien Holding AG (SIHAG) acquired a 99.33 per cent stake in *Hotele Warszawskie Syrena Sp. z o.o. (Syrena Hotels)*, represented by a fixed assets entry of € 28.00 million in the 2001 Balance Sheet.

The downtrend in person nights in Warsaw continued after September 11. *Syrena Hotels* reported a fall-off in booking levels from 62.0 per cent in 2000 to 51.9 per cent in 2001.

That reduced profit for the year by 50 per cent, and the closure of *Hotel Polonia* in the summer of 2001 greatly affected earnings.

The **Special Financial Services Department**, which provides consultancy services and develops individual solutions for corporations and institutional and professional private investors—for instance by structuring cross-border investments and providing advice and assistance when setting up private foundations (*Privatstiftungen*)—accounted for € 2.80 million or 14 per cent of profit after direct costs and transaction costs. That very good result was substantially better than had been expected.

The **“Support” Departments** carried out numerous projects in a variety of fields. An increase in the number of employees and the addition of new business segments in the course of 2002 made additional office space necessary. Facility Management created new workstations equipped with high-quality and ergonomically designed equipment.

The Accounting Department completed the changeover from Austrian schillings to euros in the course of 2001. Just a few accounts were still denominated in Austrian schillings at the specific request of customers, and all of those were converted into euros by the end of 2001. The reporting system was reorganized and adapted to suit our new shareholder structure.

In view of the high standards RCB sets itself with regard to IT equipment, we carried out a number of projects to upgrade our systems. The principal focus was on maintaining high standards in our securities trading systems. The trading systems hardware was upgraded, release changes were carried out at *EUREX*, *XETRA* and *OeTOB*, and access to information providers (*Reuters*, *Bridge*, *Bloomberg*) was extended.

Existing systems were constantly reviewed and optimized, and the process of integrating our front-office, back-office and portfolio management systems was nearly completed.

The relaunch of the new web site was one of the biggest achievements of 2001. It now offers comprehensive personalized queries, warrant and bond information and charts, as well as additional WAP services.

Forecasts for 2002 must be seen in the light of the guidelines laid down by our sole shareholder regarding the creation of an equity house.

Although costs will have to increase somewhat if we are to equip the new departments, a low cost/income ratio is essential to an adequately capitalized banking institution.

A number of new departments—e.g. Equity Capital Markets, M&A—are cost-intensive and require extended “warm-up” periods, so we will have to pay closer attention to becoming more efficient in our spending.

DISTRIBUTION OF THE PROFIT 2001

The operating result in the Profit and Loss Account came to € 13,516,644.71. After loan loss provisioning of € 4,163,051.23 and securities revaluations of € 1,010,319.00, write-offs at *Centrotrade Minerals & Metals Inc.*, New York, at the amount of € 7,620,625.21 and the write-off of receivables from *Centrotrade Far East Ltd.*, Hong Kong, of € 310,629.99, the result of ordinary activities came to € 412,019.28. After taxes totalling € 284,866.06 and the allocation of € 108,001.27 to the liable reserve under § 23.6 *Bankwesengesetz* (Austrian banking act), the financial year closed with profit of € 19,151.95. Including profit of € 551,676.41 carried forward from 2000, net balance-sheet profit came to € 570,828.36.

The Executive Board recommends that this profit of € 570,828.36 be carried forward to 2002.

HUMAN RESOURCES

The workforce grew by 4 employees and consisted of 4 members of the Executive Board, 8 Directors/Vice-Presidents, 11 senior managers and 83 other salaried employees (of which 7 are on maternity leave).

Supplementary health insurance, loans granted to personnel at favourable rates, and luncheon vouchers at the amount of € 219,232.30, were provided as fringe benefits.

The members of the Executive Board thank the staff for their outstanding work during the year under review.

Vienna
April 2002

The Executive Board:



Gerhard Vogt
Chairman



Christian Sperk



Eva Marchart



Alfred Michael Spiss



Gerhard Grund

Report of the Supervisory Board

During its six meetings in 2001, the Supervisory Board addressed the following issues:

Balance sheet and accounts for the 2000 financial year, the distribution of the net profit for the 2000 financial year, the regulatory audit report for 2000, the reports of the Executive Board, the review of country and financial limits, the extension and diversification of the bank's business activities, staff promotions and changes in the structure of shareholders.

The Supervisory Board controlled the bank's lending policy. Practical decisions were under the control of the elected Credit Committee, which was made up of four members of the Supervisory Board.

The Supervisory Board complied with all the rules and performed all the duties laid down by law, supervised the proper conduct of business by the Executive Board, and approved the accounts for the financial year.

The chosen auditors—*KPMG Austria Wirtschaftsprüfungs-GmbH*, Kolingasse 19, A-1090 Vienna—examined the annual financial statements and the Report of the Executive Board and gave their unqualified opinion thereon.

The Supervisory Board approved the Report of the Executive Board and the proposal regarding the distribution of the net profit for the financial year ended 31 December 2001. The Supervisory Board approved the financial statements for 2001 in accordance with § 125.3 *Aktiengesetz* (Austrian corporation act).

Vienna
March 2002



Walter Rothensteiner
Chairman of the Supervisory Board

Balance Sheet as at 31 December 2001

ASSETS	€	31/12/2001	31/12/2000	
		€	€ 1,000s	€ 1,000s
1. Cash and balances with central banks		10,631,721.43		18,535
2. Treasury bills eligible for refinancing with central banks		26,628,530.01		88,270
3. Claims on credit institutions				
a) repayable on demand	50,712,354.69		15,818	
b) other claims	134,414,128.91	185,126,483.60	121,049	136,867
4. Claims on customers		324,697,865.62		396,350
5. Bonds and other fixed-income securities				
a) issued by public issuers	26,572,188.77		3,011	
b) issued by other borrowers	6,184,854.12	32,757,042.89	7,470	10,481
6. Shares and other variable-yield securities		45,679,460.82		27,428
7. Investments in related companies		5,167,750.26		5,168
8. Investments in subsidiaries		17,775,680.21		17,668
9. Intangible fixed assets		1,199,288.00		359
10. Tangible fixed assets		5,735,934.86		4,819
<i>hereof: land and buildings used by the credit institution for its own activities € 2,295,071.20 (2000: € 2,378 thousands)</i>				
11. Other assets				
a) commercial trading assets	1,273,181.66		2,899	
b) remaining other assets	11,083,347.02	12,356,528.68	23,020	25,919
12. Deferred expenses		1,245,090.59		622
Total assets		669,001,376.97		732,486
Items shown below the balance sheet				
1. Foreign assets		493,612,588.83		512,824

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/2001		31/12/2000	
	€	€	€ 1,000s	€ 1,000s	
1. Liabilities to credit institutions					
a) repayable on demand	91,214,107.73		46,003		
b) with agreed maturity dates or periods of notice	347,780,853.82	438,994,961.55	333,700	379,703	
2. Other liabilities to customers					
a) repayable on demand	92,508,863.63		138,029		
b) with agreed maturity dates or periods of notice	17,341,655.39	109,850,519.02	50,194	188,223	
3. Liabilities evidenced by certificates					
a) issued bonds	394,532.72		4,900		
b) other liabilities evidenced by certificates	21,169,722.22	21,564,254.94	52,190	57,090	
4. Other liabilities					
a) commercial trading liabilities	17,088.39		64		
b) remaining other liabilities	21,088,125.25	21,105,213.64	29,799	29,863	
5. Deferred income		655,261.18		1,612	
6. Provisions					
a) provisions for severance compensation	1,865,500.00		1,723		
b) provisions for tax payments	146,320.00		142		
c) other provisions	8,646,450.74	10,658,270.74	8,083	9,948	
7. Subscribed capital		47,598,850.00		47,601	
8. Share premium account (Appropriated reserves)		6,651,420.71		6,650	
9. Revenue reserves					
statutory reserve		1,030,936.83		1,031	
10. Reserve under § 23.6 Austrian Banking Act		10,320,860.00		10,213	
11. Net profit		570,828.36		552	
Total liabilities and shareholders' equity		669,001,376.97		732,486	

Items shown below the balance sheet

1. Contingent liabilities					
guarantees and assets pledged as security		47,735,921.53		44,243	
2. Commitments		59,357,946.30		54,066	
3. Liabilities arising from trust transactions		8,891,124.48		7,091	
4. Total net capital resources					
under § 23.14 Austrian Banking Act		64,403,000.00		65,135	
<i>hereof capital resources under</i>					
<i>§ 23.14 ref 7 Austrian Banking Act</i>					
<i>€ 0.00 (2000: € 0 thousands)</i>					
5. Required capital resources					
under § 22.1 Austrian Banking Act		28,023,000.00		36,963	
<i>hereof required capital resources under</i>					
<i>§ 22.1 ref 1 and 4 Austrian Banking Act</i>					
<i>€ 25,652,000.00 (2000: € 29,592 thousands)</i>					
6. Foreign shareholders' equity and liabilities		378,484,426.05		451,803	

Profit and Loss Account

for the Year ended 31 December 2001

	€	2001 €	€ 1,000s	2000 € 1,000s
1. Interest and similar income		37,930,011.18		35,853
<i>hereof: from fixed-income securities</i>	6,305,590.83		7,177	
2. Interest and similar expenses		(30,386,948.12)		(30,522)
I. Net interest income		7,543,063.06		5,331
3. Income from securities and from investments in related companies and subsidiaries		5,295,122.32		6,609
a) income from shares and other variable-yield securities	1,846,916.06		1,703	
b) income from investments in related companies	0.00		934	
c) income from investments in subsidiaries	3,448,206.26		3,972	
4. Fee and commission income		3,969,099.00		3,147
5. Fee and commission expenses		(2,022,574.73)		(1,921)
6. Net profit on financial trading activities		8,962,855.92		10,934
7. Other operating income		3,114,269.50		3,684
a) net profit on commercial trading activities	2,681,492.78		3,070	
b) remaining other operating income	432,776.72		614	
II. Operating income		26,861,835.07		27,784
8. General administrative expenses		(11,710,823.21)		(12,994)
a) staff expenses				
aa) wages and salaries	7,028,065.96		6,996	
bb) statutory social-security contributions as well as levies and compulsory contributions dependent on wages and salaries	1,348,880.31		1,377	
cc) other employee benefits	219,232.30		215	
dd) expenses for old age pension scheme	50,480.79		965	
ee) allocation to the provision for severance compensation	142,935.81		162	
	(8,789,595.17)		(9,715)	
b) other administrative expenses	(2,921,228.04)		(3,279)	
9. Depreciation in respect of asset items 9 and 10		(1,527,856.50)		(1,136)
10. Other operating expenses		(106,510.65)		(114)
III. Operating expenses		(13,345,190.36)		(14,244)

	€	2001 €	€ 1,000s	2000 € 1,000s
IV. Operating result		13,516,644.71		13,540
11. Expenditures arising from the valuation of receivables and from securities held as other current assets		(5,163,051.23)		(3,132)
12. Expenditures arising from the valuation of securities held as financial fixed assets and of subsidiaries		(7,941,574.20)		(9,225)
V. Result of ordinary activities		412,019.28		1,183
13. Taxes on income		(38,239.58)		56
a) tax expenses	(38,239.58)		(45)	
b) income arising from release of provisions	0.00		101	
14. Other taxes unless included in item 13		(246,626.48)		(314)
VI. Annual surplus		127,153.22		925
15. Adjustment of reserves		(108,001.27)		(852)
<i>hereof: allocation to the reserve under § 23.6 Austrian Banking Act</i>	(108,001.27)		(852)	
VII. Profit for the year		19,151.95		73
16. Profit brought forward from the previous year		551,676.41		479
VIII. Net profit		570,828.36		552

Fixed Assets

as at 31 December 2001

	As at 1/1/2001 €	Additions €	Cost Disposals €
I. Intangible fixed assets			
EDP-software-licenses	605,281.29	1,160,900.54	0.00
II. Tangible fixed assets			
1. Land and buildings occupied			
by the credit institution for its own activities	4,093,502.35	0.00	0.00
<i>hereof value of land: € 783,224.20</i>			
2. Office furniture and fixtures	8,441,314.98	2,184,909.32	901,450.20
	12,534,817.33	2,184,909.32	901,450.20
III. Financial fixed assets			
1. Investments in subsidiaries			
<i>hereof credit institutions: € 0.00</i>	38,526,048.68	7,800,614.29	72,672.83
2. Investments in related companies			
<i>hereof credit institutions: € 0.00</i>	5,168,404.17	0.00	0.00
3. Other financial fixed assets			
	35,410,345.00	11,980,800.00	18,942,071.00
	79,104,797.85	19,781,414.29	19,014,743.83
Total	92,244,896.47	23,127,224.15	19,916,194.03

As at 31/12/2001 €	Depreciation accumulated €	Net book value		Depreciation 2001 €
		as at 31/12/2001 €	as at 31/12/2000 €	
1,766,181.83	566,893.83	1,199,288.00	358,907.34	320,519.88
4,093,502.35	1,798,431.15	2,295,071.20	2,377,759.70	82,688.50
9,724,774.10	6,283,910.44	3,440,863.66	2,441,307.46	1,124,648.12
13,818,276.45	8,082,341.59	5,735,934.86	4,819,067.16	1,207,336.62
46,253,990.14	28,478,309.93	17,775,680.21	17,668,363.95	7,620,625.21
5,168,404.17	653.91	5,167,750.26	5,167,968.21	217.95
28,449,074.00	65,063.00	28,384,011.00	35,097,629.00	10,319.00
79,871,468.31	28,544,026.84	51,327,441.47	57,933,961.16	7,631,162.16
95,455,926.59	37,193,262.26	58,262,664.33	63,111,935.66	9,159,018.66

Notes to the Accounts

A. ACCOUNTING AND VALUATION PRINCIPLES

General principles

The financial statements have been prepared in accordance with the general accounting principles of the *Handelsgesetzbuch* (Austrian commercial code) and the regulations of the *Bankwesengesetz* (Austrian banking act). The balance sheet as well as the profit and loss account have been set up according to the classification rules as laid down in § 43 *Bankwesengesetz* (Austrian banking act) and have been supplemented by sub-items to show specific countertrade transactions of Raiffeisen CENTROBANK AG (RCB).

For the first time the financial statements have been set up in Euro. Changes in the classification or changes in the valuation principles have not been made compared with the 2000 financial statements.

Currency conversion

In-currencies have been valued at rates fixed by the European Union on 31 December 1998.

Amounts denominated in other than in-currencies have been converted at the mean rate of exchange ruling at the balance sheet date.

Forward exchange contracts have been valued at forward rates.

All differences in rates resulting from currency conversion have been stated with effect to profit and loss account.

In so far as assets or liabilities denominated in foreign currencies are hedged by forward contracts, the amounts in question have been converted without taking profits or losses. Any differences between spot rate and forward rate have been deferred over the life of the hedge as interest expense or income.

Valuation of securities

Fixed interest-bearing securities considered to be a long term investment have been treated as fixed assets and have been stated at redemption price or at lower book value.

Shares held for trading purposes or as other current assets as well as fixed income securities have either been stated at market prices as at 28 December 2001 or at prices quoted by *Reuters* or other credit institutions.

Valuation of options and futures

Options on securities, on securities' indices and futures held for trading purposes which

are quoted at stock exchanges have been valued at the market rates as at 28 December 2001. OTC-Options have been shown at a synthetic market price according to the Black-Scholes-model for European options and according to the binomial pricing model for US options.

Risk items

Specific provisions have been made for exposures showing an increased risk of default.

Subsidiaries and investments in related companies

Subsidiaries and investments in related companies have been shown at cost, unless permanent diminution in value had led to extraordinary depreciation.

Intangible fixed assets and tangible fixed assets

Intangible fixed assets and tangible fixed assets (land and buildings, office furniture and fixtures) have been valued at cost less normal depreciation. Depreciation rates applied are 33.3 per cent and 14.3 per cent p.a. for intangible fixed assets, 2.5 per cent p.a. for buildings, respectively 10 per cent p.a. for renovations/additions. For office equipment the depreciation rates vary from 10–20 per cent p.a.

Liabilities to credit institutions and customers

Liabilities to credit institutions and customers have been shown at their redemption price.

Liabilities evidenced by certificates (cash-or-share bonds)

The value shown under balance sheet item “liabilities evidenced by certificates” was determined with regard to an option value contained therein.

Countertrade obligations

Commissions received for taking over countertrade obligations are only booked as profit at the time of fulfilling countertrade obligations.

Provisions for severance compensation

A provision for statutory and contractual claims has been created, amounting to 50 per cent (60 per cent for employees older than 50 years) of the theoretical severance claims as at the balance sheet date (the maximum accepted taxwise). The calculation, according to the principles of mathematics of finance and on the basis of an interest rate of 6 per cent p.a., assuming a retiring age for men of 61.5 years and for women of 56.5 years, has led to a cover ratio of 59.9 per cent (2000: 57.6 per cent) of the theoretical severance compensation. The provision shown in the balance sheet is by € 188 thousands or 9.2 per cent (difference between maximum level accepted taxwise and legal and intercompany contractual obligations) lower than the required provision calculated according to the principles of mathematics of finance. However, the tolerance is within the

gap required by the *Fachgutachten der Kammer der Wirtschaftstreuhand* (Austrian statement of standard accounting practice).

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined.

B. NOTES TO THE ACCOUNTS

I. Assets

Classification of claims other than those repayable on demand according to their time to maturity

31/12/2001 € 1,000s	Up to 3 months	3 months up to 1 year	1 year up to 5 years	More than 5 years	Total
Debt instruments of public bodies	1,944	9,731	14,954	0	26,629
Claims on credit institutions	61,271	51,458	21,685	0	134,414
Claims on customers	52,568	74,614	88,304	13,196	228,682
Bonds	27,429	2,784	1,454	1,090	32,757
Commercial trading assets	0	1,273	0	0	1,273
Total	143,212	139,860	126,397	14,286	423,755

31/12/2000 € 1,000s	Up to 3 months	3 months up to 1 year	1 year up to 5 years	More than 5 years	Total
Debt instruments of public bodies	8,126	0	11,258	68,886	88,269
Claims on credit institutions	46,435	21,082	53,532	0	121,049
Claims on customers	45,998	94,147	73,673	40,883	254,701
Bonds	210	2,962	6,219	1,090	10,481
Commercial trading assets	0	2,899	0	0	2,899
Total	100,768	121,090	144,682	110,859	477,399

II. Securities

Figures according to § 64.1 item 10 and 11 Bankwesengesetz (Austrian banking act):

31/12/2001 € 1,000s	Unlisted	Listed	Valued as financial assets	Valued as market price	Total
Debt instruments of public bodies, A2	0	26,692	23,635	2,994	26,629
Claims on credit institutions, A3	20,125	0	0	20,125	20,125
Claims on customers, A4	1,129	0	0	1,129	1,129
Bonds and other fixed income securities, A5	0	32,757	5,279	27,478	32,757
Shares and other variable-yield securities, A6	64	45,615	0	45,679	45,679
Investments in related companies, A7	5,168	0	5,168	0	5,168
Subsidiaries, A8	17,776	0	17,776	0	17,776

Investment securities are mainly employed as liquidity management and to provide cover for securities transactions.

The balance sheet items A2 and A5 include in the amount of € 28,914 thousands securities treated as fixed assets, the balance sheet value of which exceeds by € 101 thousands the market value as at 31 December 2001 (2000: € 417 thousands).

The market value of portfolio securities and of securities held as other current assets at the market price as at 28 December 2001 outperformed the purchase price by € 10,292 thousands.

The balance sheet items A2, A3, A4 and A5 include securities amounting to € 63,142 thousands (2000: € 47,153 thousands), which will fall due in the course of 2002.

III. Other Assets

Item "A11 Other assets" amounting to € 12,357 thousands (2000: € 25,919 thousands) includes in addition to receivables stemming from countertrade amounting to € 1,273 thousands assets valued at market price stemming from trading in derivative financial instruments amounting to € 5,641 thousands (2000: € 5,733 thousands) and other items, accrued income amounting to € 4,115 thousands (2000: € 5,309 thousands), which will be received after the balance sheet date.

IV. Liabilities

Classification of liabilities other than those repayable on demand according to their tenor to maturity

31/12/2001 € 1,000s	Up to 3 months	3 months up to 1 year	1 year up to 5 years	More than 5 years	Total
Liabilities to credit institutions	296,515	29,636	20,976	654	347,781
Liabilities to other customers	15,991	129	916	306	17,342
Liabilities evidenced by certificates	10,352	11,212	0	0	21,564
Commercial trading liabilities	0	17	0	0	17
Total	322,858	40,994	21,892	960	386,704

31/12/2000 € 1,000s	Up to 3 months	3 months up to 1 year	1 year up to 5 years	More than 5 years	Total
Liabilities to credit institutions	295,152	9,302	29,246	0	333,700
Liabilities to other customers	41,854	6,795	969	576	50,194
Liabilities evidenced by certificates	5,498	25,611	25,981	0	57,090
Commercial trading liabilities	0	64	0	0	64
Total	342,504	41,772	56,196	576	441,048

Liabilities evidenced by certificates

Item P3 contains issued bonds amounting to € 21,564 thousands (2000: € 31.109 thousands), which will fall due in the course of 2002.

Other liabilities

Item "P4 Other liabilities" contains liabilities stemming from countertrade amounting to € 17 thousands, in particular liabilities valued at market prices and premiums received from trading in securities and derivative financial instruments amounting to € 14,117 thousands (2000: € 14,704 thousands).

V. Commitments for use of tangible fixed assets not shown on the Balance Sheet

In the period under report the rental expenses amounted to € 91 thousands (2000: € 55 thousands). For the 2002 business year we expect rental expenses of € 153 thousands and for the years 2002–2006 rental expenses of € 842 thousands.

VI. Supplemental Data

Assets and Liabilities in Foreign Currencies

The balance sheet total includes the following foreign currency amounts:

€ 1,000s	31/12/2001	31/12/2000
Assets	293.452	313.472
Liabilities	308.856	317.957

Forward business transactions not yet matured

At the balance sheet date the following forward business transactions had not yet matured:

€ 1,000s	31/12/2001	31/12/2000
Purchase contracts		
Interest Rate Forward Transactions (FRA)	0	58,033
Currency and Interest Rate Swaps (multicurrency, money market swaps)	0	8,577
Foreign Exchange Forward Transactions	17,883	13,511
Index-Forward Transactions	16,694	19,590
Options on Substantial Values and Securities Options	606,215	86,705
Sales contracts		
Interest Rate Options	12,836	0
Currency and Interest Rate Swaps (multicurrency, money market swaps)	0	8,702
Foreign Exchange Forward Transactions	17,852	13,693
Index-Forward Transactions	26,007	10,738
Options on Substantial Values and Securities Options	710,474	109,189

Securities Trading Book

In accordance with § 22b Bankwesengesetz (Austrian banking act) a securities trading book is held. At the balance sheet date the securities trading book, valued at market price (derivatives with delta values), amounted to:

€ 1,000s	31/12/2001	31/12/2000
Bonds	5,035	60,056
Shares	59,196	20,688
Listed Options	(65,403)	(16,455)
Warrants	(9,780)	(17,956)
OTC-Options	35,753	(7,814)
Futures	(11,374)	9,034
Bond Futures	(2,157)	0
Cash or Share	(171)	(1,982)
Foreign Exchange		
Forward Transactions	(31)	183
Total	11,068	45,754

C. EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

Net profit on commercial trading activities amounting to € 2,681 thousands (2000: € 3,070 thousands) contained in item "Other operating income" stem primarily from the realisation of countertrade obligations for third parties to Malaysia, Thailand and Indonesia.

D. OTHER INFORMATION

Contingent liabilities

Breakdown of contingent liabilities disclosed off-balance amounted to € 47,736 thousands (2000: € 44,243 thousands):

€ 1,000s	31/12/2001	31/12/2000
Letters of Credit	19,552	14,257
Guarantees	28,184	29,986
<i>hereof for subsidiaries and other related companies</i>	26,654	29,560
Total	47,736	44,243

Commitments shown off-balance

Commitments shown off-balance amounting to € 59,358 thousands (2000: € 54,066 thousands) refer entirely to irrevocable credit commitments and credit limits.

Other contractual obligations

The following assets have been pledged:

- Item A3 "Claims on credit institutions": € 17,020 thousands (2000: € 16,120 thousands) as collaterals for lendings of third parties to a subsidiary

- Items A2, A4 and A5 "Fixed income securities": € 12,173 thousands (2000: € 33,816 thousands) deposited with credit institutions as collaterals for the security and option business

■ Item A4 "Claims on customers":
€ 23,386 thousands (2000: € 26,637 thousands) as collaterals for liabilities arising from

refinancing of export loans with *Oesterreichische Kontrollbank AG* (item "P1b Liabilities to credit institutions")

Number of staff during the period under report

	31/12/2001	Average of the year	31/12/2000	Average of the year
Employees (incl. Members of the Executive Board)	95	94	92	88
<i>hereof part time</i>	0	0	0	0
Workers	4	4	4	4
<i>hereof part time</i>	1	1	1	1
Apprentices	0	0	0	1
Total	99	98	96	93

Advances and loans to Members of the Executive Board and Supervisory Board

At the balance sheet date loans amounting to € 34,778 had been granted to members of the Executive Board (2000: € 65,888). Repayments during the period under review amounted to € 31,110 (2000: € 54,781).

No advances, loans or guarantees were granted to members of the Supervisory Board.

Expenses for severance compensation and pensions

Expenses for severance compensations and pensions (including allocation to pension fund and provisions) amounted to € 21,478 (2000: € 1,376,710) for members of the Executive Board and to € 272,837 for other employees (2000: € 169,114).

Remuneration for Members of the Executive Board and the Supervisory Board

In the year under report remuneration for the four actual members of the Executive Board amounted to € 1,525,411 (2000: € 1,489,140 for five members of which one member was active only half a year). Attendance fees for the members of the Supervisory Board and the Credit Committee amounted to € 80,880 (2000: € 80,356).

Group relation

The company is a related company of Raiffeisen Zentralbank Österreich AG. The financial statements are integrated into the consolidated financial statements of Raiffeisen Zentralbank Österreich AG; they are available at Raiffeisen Zentralbank Österreich AG and are deposited with the *Handelsgericht Wien* (Commercial court Vienna).

**Members of the Executive Board
and Supervisory Board**

Executive Board

Gerhard VOGT (Chairman)
Christian SPERK
Eva MARCHART
Alfred Michael SPISS
Gerhard GRUND (since 1/1/2002)

Supervisory Board

Robert T. FOX, London (until 14/11/2001)
Walter ROTHENSTEINER (since 14/11/2001)

Deputy Chairmen:

Herbert STEPIC, Vice-Chairman,
Raiffeisen Zentralbank Österreich AG, Vienna
(until 14/11/2001)
Jerzy SUCHNICKI, Direktor, Bank Handlowy
w Warszawie S.A., Warsaw (until 14/11/2001)
Helfried MAREK, Member of the Board,
Raiffeisen Zentralbank Österreich AG, Vienna
(First Deputy Chairman since 14/11/2001)

Herbert STEPIC, Vice-Chairman,
Raiffeisen Zentralbank Österreich AG, Vienna
(Second Deputy Chairman since 14/11/2001)

Members:

Malcolm F. WILLIAMS, Chief Operating Officer,
Kleinwort Benson Ltd., London (until 14/11/2001)
Helfried MAREK, Member of the Board,
Raiffeisen Zentralbank Österreich AG, Vienna
(until 14/11/2001)
James L. POPE, President, Philadelphia
International Investment Corporation,
Philadelphia (until 14/11/2001)
Jerzy PLUSA, Vienna (until 14/11/2001)
Karl SEVELDA, Member of the Board,
Raiffeisen Zentralbank Österreich AG, Vienna
(since 14/11/2001)
Christian TEUFL, Deputy Direktor,
Raiffeisen Zentralbank Österreich AG, Vienna
(since 27/4/2001)

State Commissioners

Peter BRAUMÜLLER, *Gruppenleiter*
Otto PLÜCKHAHN, *Ministerialrat*

Vienna
4 April 2002

The Executive Board:

Gerhard Vogt m. p.
Chairman

Christian Sperk m. p.

Eva Marchart m. p.

Alfred Michael Spiss m. p.

Gerhard Grund m. p.

Auditors' Report

The following financial statements as of 31 December 2001 of Raiffeisen CENTROBANK AG (RZB), Vienna, represent an excerpt, abridged according to the regulations of § 65.2 *Bankwesengesetz* (Austrian banking act). After having finalised our examination, we give the following unqualified opinion on all unabridged versions of the Bank's financial statements as at 31 December 2001 and to the Report of the Executive Board according to § 274.1 *Handelsgesetzbuch* (Austrian commercial code).

"As the result of our due audit we can certify that the accounting record and the financial statements comply with the legal regulations. The financial statements give a true and fair view of the company's assets, liabilities, financial position and profit or loss in conformity with generally accepted accounting principles. The report of the Executive Board corresponds with the financial statements."

Vienna
8 April 2002

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca m. p.
Kurt Eder m. p.
Chartered Accountants

The financial statements were approved by the Supervisory Board of Raiffeisen CENTROBANK AG on 18 April 2002.

The company is registered at *Handelsgericht Wien* (Vienna commercial court) under FN 117507 f.

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