



BEOGRADSKA BANKA A.D. - BEOGRAD

abbreviated: BEOGRADSKA BANKA a.d., 11001 BEOGRAD, Knez Mihailova 2, P.O. Box 955, cables: beogradskabanka, telex: 11712 YUBGBANK
tel: 624-455, fax: 633-128

BZ.1084

MOORE STEPHENS
LONDON
Mr. Jeremy Willmont
Joint Administrator

October 23, 2001

Dear Mr. Willmont,

Please be informed that the National Bank of Yugoslavia has notified us of the discussion that took place during the AY Creditor's Committee Meeting, held on October 03, 2001, concerning the further engagement of Mrs. Ljiljana Radenkovic at AY Bank.


Following this discussion, we would like to inform you that Beogradska banka a.d has made a decision to recall Mrs. Ljiljana Radenkovic from her position in AY Bank, London.

Please note that Mrs. Ljiljana Radenkovic has been working in AY Bank since 1989, and her engagement there was extended for several terms.

We would also like to emphasize that the additional difficulty for revival of the activities of AY Bank is the fact that the name of Mrs. Ljiljana Radenković is on the "American List of Connected Persons" maintained by OFAC.

It should also be pointed out that our position in this matter is consistent with that of the National Bank of Yugoslavia, the National Bank of Macedonia and the new shareholders of AY Bank.

Sincerely yours,

Nikola Živanović

Acting Director
of the Bank under Rehabilitation

CO: AY Bank Ltd., London
Mr. John Marchant
Managing Director