

The Banca popolare dell'Emilia Romagna Banking Group

Report of the Board of Directors on management of group

Shareholders,

This report on the administration of the Bank contains a detailed overview of the economic scenario in which the companies of the group have operated and it is therefore to this that we make reference.

The following are the summary data of the Group in consolidated terms, accompanied by an analysis and comments regarding the most significant aspects of the management of the various component companies.

We will examine in due detail the operations performed during the financial year, the increases in share capital, the investments, and the new aggregations that have been carried out, in order to provide you with an overview of the size, structure, equity, and financial standing of the Group.

composition of the “group”

We should start by explaining that the "Group" is currently composed as follows (the percentage of capital held by our bank, as the parent company, is given in parentheses):

parent company: **Banca popolare dell'Emilia Romagna s.c.r.l.,
with offices in Modena**

A) banking companies of the group:

- 1) Banca popolare di Ravenna s.p.a., registered offices in Ravenna (83%);
- 2) Banca popolare di Lanciano e Sulmona s.p.a., registered offices in Lanciano (CH) (2.185%);
- 3) Banca popolare del Materano s.p.a., registered offices in Matera (62%);
- 4) Banca CRV Cassa di Risparmio di Vignola s.p.a., registered offices in Vignola (MO) (76.087%);
- 5) Banca popolare di Crotone s.p.a., registered offices in Crotone (51.955%);
- 6) Banca del Monte di Foggia s.p.a., registered offices in Foggia (56.755%);
- 7) Banca popolare di Aprilia s.p.a., registered offices in Aprilia (LT) (55.009%);
- 8) Banca popolare dell'Emilia Romagna (Europe) International s.a., registered offices in Luxembourg (99%);
- 9) Banca popolare del Sinni s.p.a., registered offices in Chiaromonte (PZ) (1.1%);
- 10) Banca popolare di Salerno s.p.a., registered offices in Salerno (74.492%);
- 11) Banca popolare dell'Irpinia s.p.a., registered offices in Avellino (45.619%);
- 12) Banca popolare di Castrovillari e Corigliano Calabro s.p.a., registered offices in Castrovillari (CS) (no direct shareholding);
- 13) CARISPAQ Cassa di Risparmio della provincia dell'Aquila s.p.a., registered offices in L'Aquila (no direct shareholding).

B) other group companies:

- 1) Finbanche d'Abruzzo s.p.a., registered offices in Aquila, bank holding company (51.878%)
- 2) BPER International Advisory Company s.a., registered offices in Luxembourg, management company (90%);
- 3) Em.Ro. popolare - finanziaria di partecipazioni s.p.a., registered offices in Modena, finance company (99.9%);
- 4) EMRO Finance Ireland Limited, registered offices in Dublin (IRL), finance company (100%);
- 5) Nadia s.p.a., registered offices in Modena, property company (100%);

- 6) Magazzini Generali della Provincia di Modena s.p.a., registered offices in Modena, service company for cheese maturing and storage (100%);
- 7) Modena Terminal s.r.l., registered offices in Campogalliano (Modena), company for the warehousing, deep freezing, and refrigerated storage of various products (89.278%);
- 8) Metelliana s.p.a., registered offices in Cava dei Tirreni (SA), IT services company (100%);
- 9) Ri.Tri.Mat. s.p.a., registered offices in Matera, tax collection company in the area of Matera (no direct shareholding);
- 10) S.I.M.A. s.p.a., registered offices in Pescara, company for the disbursement of salary secured loans (no direct shareholding);
- 11) CONFORM managerial training consortium, registered offices in Avellino (no direct shareholding);
- 12) I.FORM s.r.l., registered offices in Avellino, company for vocational training and professional competence crediting (no direct shareholding);
- 13) IM.P.I. s.r.l., registered offices in Avellino, property company (no direct shareholding);
- 14) Fin.Roma s.r.l., registered offices in Avellino, property company (no direct shareholding).

At the same time, we inform you that the following shareholding relationships exist between companies of the group:

- a) Banca popolare di Ravenna s.p.a. holds:
 - a shareholding of 0.10% in Em.Ro. popolare s.p.a.;
 - a shareholding of 1% in Banca popolare dell'Emilia Romagna (Europe) International s.a.;
- b) Magazzini Generali della Provincia di Modena s.p.a. holds a share of 10.722% in the capital stock of Modena Terminal s.r.l.;
- c) Banca popolare dell'Emilia Romagna (Europe) International s.a. holds a share of 10% in the capital stock of BPER International Advisory Company s.a.;
- d) Banca popolare dell'Irpinia s.p.a. holds a share of 0.024% in Banca popolare di Castrovillari e Corigliano Calabro s.p.a.;
- e) I.FORM s.r.l. holds a share of 5% in CONFORM;
- f) IM.P.I. s.r.l. holds a share of 5% in CONFORM.

We further specify that the control of certain companies is held by means of other companies forming part of the group.

In this context, Banca popolare del Materano s.p.a. holds:

- a share of 99.818% in the capital stock of Ri.Tri.Mat. s.p.a.;
- a share of 59.725% in the capital stock of Banca popolare del Sinni s.p.a.;
- a share of 52.654% in the capital stock of Banca popolare di Castrovillari e Corigliano Calabro s.p.a.;

Finbanche d'Abruzzo s.p.a. holds:

- a share of 48.142% in the capital stock of Banca popolare di Lanciano e Sulmona s.p.a.;
- a share of 82.5% in the capital stock of CARISPAQ Cassa di Risparmio della provincia dell'Aquila s.p.a.;

Banca popolare dell'Irpinia s.p.a. holds:

- a share of 90% in the capital stock of CONFORM;
- 100% of the capital stock of I.FORM s.r.l.;
- 100% of the capital stock of IM.P.I. s.r.l.

IM.P.I. s.r.l. holds 100% of the capital stock of Fin.Roma s.r.l.

There are no holdings of capital stock or shares in group companies that are held by trust companies or by intermediaries; nor have such subjects been a party to the acquisition or disposal, during 2000, of shares of capital stock of group companies by said companies.

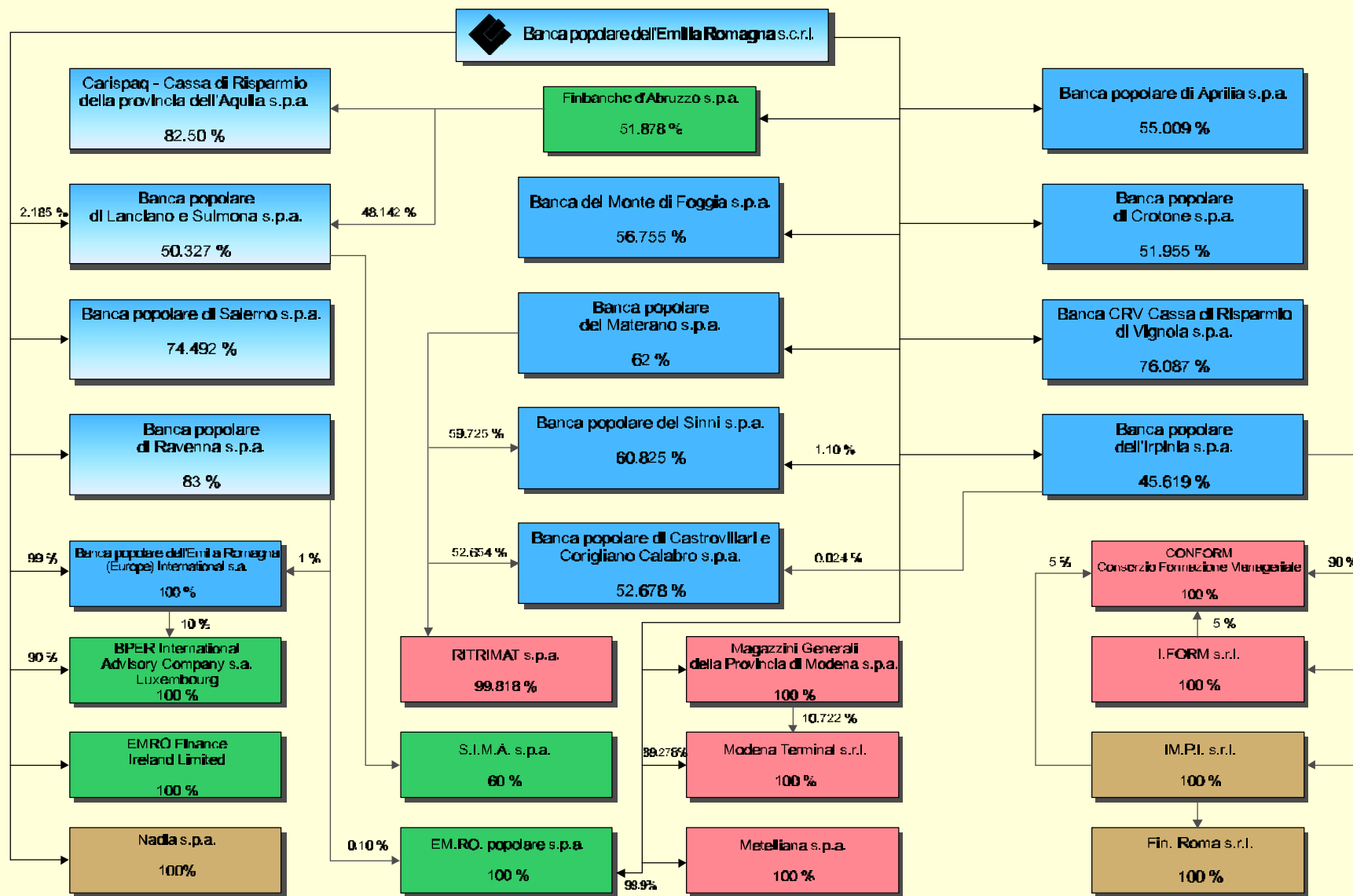
Own shares held by companies included in the consolidation are solely as follows:

parent company, Banca popolare dell'Emilia Romagna s.c.r.l.

- no. 674,726 own shares, of book value 3 Euro each, entered into the balance sheet at L.48,443,229,482 (amount per share of L.71,797), constituting 1.015% of the capital of the Parent company.

map of the group

Given the foregoing situation, we hereby present you with a map of the group as at 31 December 2000



development and dimensions of the “group”

The "Banca popolare dell'Emilia Romagna" group was enrolled in the relevant Register, in compliance with article 64 of Decree Law 1 September 1993 n.385, on 7 August 1992, under number 5387.6.

The second half of 2000 witnessed the conclusion of two important operations, destined to increase the standing of the "group" and position it among the top ten banking groups in Italy. The operations in question were the acquisition of a majority shareholding in Banca Popolare dell'Irpinia, which was converted into a public company (s.p.a.), and the companies belonging to its group: CONFORM, I.FORM, IM.P.I., Fin.Roma, all of which having registered offices in Avellino, and the agreement which will allow us to acquire, during the course of 2001, a majority shareholding in Banco di Sardegna s.p.a. and, by way of this latter company, acquiring also its subsidiary Banca di Sassari.

These operations have already been described in detail in the Management Report of the Parent company.

We also draw your attention to a change that has taken place within the "group" following the closure of the 2000 financial year: on 29 January 2001 we completed the merger to incorporate Banca Popolare del Sinni s.p.a. in its holding company Banca Popolare del Materano s.p.a., in accordance with the resolutions of the respective extraordinary general meetings, both of which were held on 16 October 2000.

During the course of 2000 the shareholdings of the group in several of the member companies were modified. Needless to say, these changes must be taken into account when comparing results with the 1999 consolidated balance sheet.

Variations in controlling interests relate to:

- Banca popolare di Ravenna s.p.a., original shareholding of 83.416%, now reduced to 83%;
- Banca popolare di Lanciano e Sulmona s.p.a., original shareholding of 51.897%, now reduced to 50.327% (of which 48.142% assigned to Finbanche d’Abruzzo);
- Banca popolare del Materano s.p.a., original shareholding of 61%, now increased to 62%;
- Banca popolare di Crotone s.p.a., original shareholding of 51.95% now increased to 51,955%;
- Banca popolare del Sinni s.p.a., original shareholding of 60.402% now increased to 60.825%;
- Banca popolare di Salerno s.p.a., original shareholding of 72.1%, now increased to 74.492%;
- Banca popolare di Aprilia s.p.a., original shareholding of 54.999% now increased to 55.009%;
- Banca popolare di Castrovillari e Corigliano Calabro, original shareholding of 51.916%, now increased to 52.678% (of which 52.654% assigned to Banca popolare del Materano s.p.a.);
- Ri.tri.Mat. s.p.a., original shareholding of 99.041% now increased to 99.818%;
- S.I.M.A. s.p.a., original shareholding of 40% now increased to 60%.

group companies

The following section contains a summary chart for each company detailing the main economic data and a brief comment on their progress. Further information can be obtained from the balance sheets and income statements for each company, which are included later on in the financial statements folder.

parent company Banca popolare dell'Emilia Romagna

The concise data of the Parent company - already discussed in detail in the management report, which we invite you to consult - are as follows:

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	15,800,368	14,981,723	818,645	5.46%
Indirect deposits	20,712,710	20,008,359	704,351	3.52%
Total deposits	36,513,078	34,990,082	1,522,996	4.35%
Loans	15,709,612	13,545,408	2,164,204	15.98%
<i>of which net doubtful debts</i>	262,161	260,732	1,429	0.58%
Securities owned	4,162,777	4,568,929	(406,152)	-8.89%
<i>of which locked-up</i>	413,252	292,778	120,474	41.15%
Net equity	2,762,557	2,384,785	377,772	15.84%
<i>of which: operating profit</i>	214,936	186,556	28,380	15.21%
Employees at year end	3,205	3,076	129	4.19%
Branches	226	213	13	6.10%

Banca popolare di Ravenna

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	1,695,215	1,578,033	117,182	7.43%
Indirect deposits	2,725,255	2,774,955	-49,700	-1.79%
Total deposits	4,420,470	4,352,988	67,482	1.55%
Loans	1,287,104	1,129,761	157,343	13.93%
<i>of which net doubtful debts</i>	7,396	7,280	116	1.59%
Securities owned	508,280	473,009	35,271	7.46%
<i>of which locked-up</i>	40,192	40,125	67	0.17%
Net equity	226,907	217,170	9737	4.48%
Profit for the year	13,996	12,053	1,943	16.12%
Employees at year end	393	378	15	3.97%
Branches	42	40	2	5.00%
<i>of which: fast-teller counters</i>	2	2	-	-

At year end global deposits of the bank amounted to L.4,420 billion, remaining virtually unchanged with respect to 1999 values. In detail, direct deposits

increased to L.1,695 billion (up 7.4%), while administrated and managed deposits fell to L.2,725 billion (down 1.8%).

Loans to customers increased significantly, arriving at L.1,287 billion (up 13.9%); this growth occurred, it should be noted, while maintaining the ratio between bad debts/loans at minimal levels (0.57%), thus confirming the established high quality of loans and a strategy aimed at serving the Ravenna and Ferrara areas. In addition to these two provinces, the bank has branches also in Florence (Marradi) and Forlì -Cesena. The network of branches increased during the course of the year with a further two new outlets, at Tagliata di Cervia and at Porto Viro (Rovigo), thus bringing the number of provinces in which the bank is present to five.

Total capital (including the "reserve for general bank risks" and subordinated liabilities) amounted to L.227 billion, representing a rise of 4.5% with respect to 1999.

During 2000 the excellent economic results of the past were significantly improved, thus confirming a trend of profit growth which has proceeded uninterrupted for several years.

Net profits increased during the past year by 16.1%, reaching a total of L.13,996 million. This result was achieved with a marked increase in the interest margin (+ 17.68%); income from services remained substantially unmodified (+ 0.8%), and the final figure is net of an allocation to the general bank risks reserve of L.4 billion (L.3.3 billion in the previous financial year).

The quality of company management, which proceeded on the basis of prudence and profitability, can be seen in the income statement, with pre-tax profits showing an increase of 26.7%.

Banca popolare di Lanciano e Sulmona

(in millions of Lire)

	2000	1999	variations	
Direct deposits	2,149,417	1,945,606	203,811	10.48%
Indirect deposits	623,951	516,115	107,836	20.89%
Total deposits	2,773,368	2,461,721	311,647	12.66%
Loans	1,618,043	1,257,673	360,370	28.65%
<i>of which net doubtful debts</i>	45,240	50,798	-5,558	-10.94%
Securities owned	361,781	468,003	-106,222	-22.70%
<i>of which locked-up</i>	240,563	230,241	10,322	4.48%
Net equity	220,279	216,469	3,810	1.76%
Profit for the year	10,027	8,704	1,323	15.20%
Employees at year end	404	369	35	9.49%
Branches	49	42	7	16.67%

The Abruzzi "popolare" bank, which is controlled by the group also by way of the Finbanche d'Abruzzo sub-holding, is gradually assuming an increasingly important role and presence in the region. This is being achieved thanks to a dynamic policy of the opening of new branches and taking over of small institutes operating in the area, the most recent of which are the two cooperative credit banks of Avezzano and Castelfrentano.

The Avezzano "cooperative" was taken over last May. This newcomer brought a

total of L.59 billion in total deposits and L.36.5 billion in loans to customers. The Castelfrentano institute, which was taken over last November; brought L.17 billion of total deposits and L.8 billion of loans.

Also due to the effect of these two incorporations, the volume of global deposits from customers rose to L.2,773 billion, showing an increase of 12.7%; customer lending on the other hand, net of value adjustments, rose to a total of L.1,618 billion, which represents an increase of more than 28.5%. The incidence of doubtful receivables continued to follow a downward curve, standing currently at 2.8%, down from the 4% registered at the end of 1999. The positive development trend of businesses and the economy in the Abruzzi obviously played an important role in assisting the expansion of the bank in the territory.

Operative branches now number 49 (seven more than at the end of last year): two deriving from the previously mentioned takeovers of the cooperative credit institutes (both of which had just one branch); five of the new branches are a result of the implementation of the "branches plan" that is currently under way; these five new branches are in the provinces of Chieti (Casalincontrada and Gissi), Isernia (in the provincial capital town), in L'Aquila (San Benedetto dei Marsi) and in Campobasso (Guglionesi).

The income statement for the year closes with a positive result that constitutes an improvement with respect to 1999; net profits exceeded L.10 billion (up 15.2%). The achievement of this result was aided, in particular, by the improvement in the interest margin (+13.19%) and income from services, in addition to the reduced incidence of value adjustments on loans and allocations against risks of various kinds.

Banca popolare del Materano

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	1,341,900	1,242,146	99,754	8.03%
Indirect deposits	752,780	812,004	-59,224	-7.29%
Total deposits	2,094,680	2,054,150	40,530	1.97%
Loans	922,277	938,985	-16,708	-1.78%
<i>of which net doubtful debts</i>	34,224	32,380	1,844	5.69%
Securities owned	163,767	232,601	-68,834	-29.59%
Net equity	160,582	150,987	9,595	6.35%
Profit for the year	5,322	4,221	1,101	26.08%
Employees at year end	299	274	25	9.12%
Branches	29	26	3	11.54%

First of all it should be noted that Banca popolare di Materano completed its merger by incorporation of its subsidiary Banca popolare della Val d'Agri on 20 March 2000 (bringing in approximately L.33 billion of total direct and indirect deposits, and approximately L.28 billion of loans to customers).

At the shareholders' meeting of 16 October 2000, a resolution was passed approving the merger by incorporation of another subsidiary: Banca popolare del Sinni. This operation was concluded in January 2001 (the corresponding influx, in terms of assets and liabilities, net equity, branches, and employees - can be seen in the data shown in the above table).

The foregoing operations enabled a significant level of rationalization of the Group's banking structures active in the Basilicata region. The various phases of the process entailed a considerable commitment for the bank, which, however, did

not prevent it from pursuing its policy of territorial expansion also by internal means, through the opening, last October, of two new branches in the province of Bari (Gioia del Colle and Gravina di Puglia).

The bank is present in both provinces of the Basilicata region (Matera and Potenza), and also has five branches in Apulia, in the provinces of Bari and Taranto.

The volume of deposits and investments remained substantially unchanged.

On the contrary, the economic results for the year display an increase in profits (L.5.3 billion against the L.4.2 billion of 1999). Achievement of this result was significantly aided by the brokerage margin (+24.5%), which made it possible to offset value adjustments on loans of a greater entity than those of the previous year (18.8 billion, or + 86.9%).

The company was subjected to an official Supervisory body inspection, which began towards the end of 2000 and was concluded at the beginning of March 2001.

Although the Inspectors had yet to issue their report at the time of writing, it can be justifiably assumed that when it arrives it will not contain any negative findings.

Banca popolare del Sinni

Incorporated by Banca popolare del Materano in January 2001.

(in millions of Lire)

	2000	1999	variations	
Direct deposits	33,434	36,952	-3,518	-9.52%
Loans	29,794	24,701	5,093	20.62%
<i>of which net doubtful debts</i>	213	141	72	51.06%
Securities owned	4,191	3,299	892	27.04%
<i>of which locked-up</i>	1,964	2,361	-397	-12.03%
Net equity	22,508	22,385	123	0.55%
Profit for the year	123	5	118	2,360.0%
Employees at year end	13	13	-	-
Branches	2	2	-	-

Banca popolare di Castrovillari e Corigliano Calabro

(in millions of Lire)

	2000	1999	variations	
Direct deposits	50,851	50,083	768	1.53%
Indirect deposits	7,720	4,940	2,780	57.55%
Total deposits	58,851	55,083	3,548	6.45%
Loans	37,387	35,352	2,035	5.75%
<i>of which net doubtful debts</i>	1,745	2,199	-454	-20.64%
Securities owned	7,361	5,307	2,054	38.70%
<i>of which locked-up</i>	998	998	0	
Net equity	17,603	16,990	613	3.61%
Profit for the year	714	581	133	22.94%
Employees at year end	13	13	-	-
Branches	2	2	-	-

The bank is controlled by Banca Popolare del Materano. The bank holds a total of approximately L.59 billion of deposits and has disbursed some L.37 billion in loans to customers.

Profit at year end was L.714 billion (22.9% higher than at the end of 1999), a result that is also due to the lower incidence of adjustments on loans, which have more than halved with respect to the previous year.

Banca CRV - Cassa di Risparmio di Vignola

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	1,314,495	1,179,428	135,067	11.45%
Indirect deposits	1,983,903	1,998,710	-14,807	-0.74%
Total deposits	3,298,398	3,178,138	120,260	3.78%
Loans	1,342,335	1,161,215	181,120	15.60%
<i>of which net doubtful debts</i>	9,916	8,785	1,131	12.87%
Securities owned	298,870	364,501	-65,631	-18.01%
Net equity	169,561	154,063	15,498	10.06%
Profit for the year	17,284	13,291	3,993	30.04%
Employees at year end	319	288	31	10.76%
Branches	32	30	2	6.67%

The bank confirmed the excellent results of the previous year, which placed it at the top of the national classification in the sector of small banks.

Total deposits rose by L.120 billion (up 3.8%), reaching, at year's end, the figure of L.3,298 billion, largely due to the increase in the "direct" component (L.1,314 billion at year's end, i.e. up L.135 billion with respect to 1999).

Also loans increased significantly (+15.6%), reaching L.1,342 billion, with a very high level of global quality (the ratio between doubtful debts/loans stands at 0.74%).

During the course of the year the bank proceeded with its expansion on the market, both in terms of dimensions and coverage, as shown by an increase in the number of customer contracts in excess of 20 percentage points. The bank opened a further two branches, one in Modena and a fast-teller counter in Manzolino (in the municipality of Castelfranco Emilia). This brings the current network to a total of 32 branches.

In terms of profitability, we draw your attention to the considerable increase in the interest margin (+ 23.85%), accompanied by a positive restriction of expenses.

Net profits increased by 30%, rising from L.13.3 to 17.3 billion, after an allocation of L.5 billion to the general banking risks reserve.

The Calabrian holding confirmed and even slightly improved the level of profitability of the previous year: net profit for 2000 was L.5.5 billion, in line with the constantly positive trend that has proceeded for the past three years ('98: 4.8 billion - '99: 5.3 billion).

Profitability of the bank is firmly underpinned by its development in the territory, as shown by the opening of two new branches (Crotone and Rende) bringing the total number of branches up to 35.

Relations with customers displayed significant developments, both in terms of total deposits (+ 8.8% for direct deposits and + 9.3% for indirect deposits), and in terms of investments (+ 11.9%). We also draw your attention to the constant improvement in the bad debts / loans ratio, which dropped from the 9.9% of '99 to the 7.9% of 2000.

Banca popolare di Crotone

(in millions of lire)

	2000	1999	variations	
Direct deposits	1,307,894	1,202,068	105,826	8.80%
Indirect deposits	619,376	566,220	53,156	9.32%
Total deposits	1,927,270	1,768,288	158,982	8.99%
Loans	1,081,113	966,202	114,911	11.89%
<i>of which net doubtful debts</i>	86,406	96,169	-9,763	-10.15%
Securities owned	240,784	258,420	-17,636	-6.82%
<i>of which locked-up</i>	49,106	49,306	-200	-0.41%
Net equity	151,023	146,623	4,400	3.00%
Profit for the year	5,487	5,350	137	2.56%
Employees at year end	357	345	12	3.48%
Branches	35	33	2	6.07%

At the end of 2000 an ordinary inspection of the official supervisory body was in progress. The inspection was terminated at the beginning of March, and although the contents of the report are not known at the time of writing, there is no reason to presume that findings will be anything other than positive.

In relation to the income statement, we point out the growth in the brokerage margin (+23.4%) and, of even greater significance, the growth in gross profits generated by ordinary management, which rise from the L.1.8 billion of 1999 to the more than L.10 billion for 2000. Using criteria of prudence, adjustments were applied to receivables and provisions approximately L.4 billion greater than those of the previous year.

In April, the bank converted its capital, rounding up the value of each share to 3 Euro, thus generating an increase in share capital achieved free of charge for shareholders, by utilizing some L.3.2 billion from various reserves.

Banca popolare di Aprilia

(in millions of Lire)

	2000	1999	variations	
Direct deposits	599,912	535,517	64,395	12.02%
Indirect deposits	363,839	362,711	1,128	0.31%
Total deposits	963,751	898,228	65,523	7.29%
Loans	313,471	285,309	28,162	9.87%
<i>of which net doubtful debts</i>	42,114	41,715	399	0.96%
Securities owned	266,075	288,304	-22,229	-7.71%
<i>of which locked-up</i>	174,557	174,833	-276	-0.16%
Net equity	124,142	112,770	11,372	10.08%
Profit for the year	7,771	5,803	1,968	33.91%
Employees at year end	150	144	6	4.17%
Branches	15	13	2	15.39%

The progress of the Latium subsidiary was completely satisfactory, thanks also to the significant advances made in terms of operating values and income.

Territorial expansion was achieved by the opening of two new branches in January and March: one in Pomezia and the other in Albano Laziale. The number of branches in the provinces of Latina and Roma has therefore risen to 15.

The positive trend for total deposits (+ 7.3%) was accompanied by a higher rate of growth in loans (9.9%), thus confirming the efficiency of the bank's work in the territory. The ratio between bad debts and loans, although remaining at a relatively high level, is in line with average regional values (13.43%) and displays gradual and constant improvement.

Economic results for the year can be seen in the income generated by ordinary activities, which more than doubled with respect to '99 (from approximately L.7.5 billion to more than L.15.2 billion). Profit for the year showed a marked increase, rising from the L.5.8 billion of 1999 to L.7.8 billion (+ 33.9%).

During the course of the year the Bank converted its share capital into Euros and, at the same time, increased its capital stock slightly by issuing new shares against payment, thus bringing total share capital to L.9.7 billion. Taking advantage of the faculty provided by Law n.342/2000, the bank revalued its property assets by L.5,559 million, and created a reserve of L.4,503 million net of taxes.

Banca del Monte di Foggia

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	476,408	453,439	22,969	5.07%
Indirect deposits	206,557	169,942	36,315	21.55%
Total deposits	682,965	623,381	59,584	9.56%
Loans	455,036	407,645	47,391	11.60%
<i>of which net doubtful debts</i>	27,770	24,977	2,793	11.18%
Securities owned	87,007	86,523	484	0.56%
Net equity	72,174	69,277	2,897	4.18%
Profit for the year	1,537	1,204	333	27.66%
Employees at year end	111	99	12	12.12%
Branches	10	8	2	25.00%

The economic result obtained in the 2000 financial year (net profit of L.1.5 billion, i.e. up 27.7%) confirms careful and astute management of the Monte di Foggia bank.

The bank increased its presence in the territory by adding a further two branches (Orsara di Puglia and San Marco in Lamis) to the original eight, all of which are located in the province of Foggia.

The Apulian bank achieved a more than satisfactory increase in total deposits, which rose from L.623 billion to L.683 billion. The greatest proportion of this growth was achieved in the indirect component, which registered an increase of 21%. The growth in loans to customers (+11.6%) was considerable, especially since the bank acted in accordance with principles of prudence in limiting the approval of new requests for loans in order to assure correctly balanced development.

The ratio between bad debts and loans remained at the same levels as those of the previous year. We also draw your attention to the highly positive development in the number of current accounts (+ 17%) held by the bank.

The positive economic results were achieved thanks to the marked growth of the interest margin (+ 25.1%) and, particularly, thanks to the sharp increase in income from services (+42%), accompanied by appropriate containment of operating costs.

Banca popolare di Salerno

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	327,566	293,267	34,299	11.70%
Indirect deposits	83,676	68,003	15,673	23.05%
Total deposits	411,242	361,270	49,972	13.83%
Loans	174,757	143,300	31,457	21.95%
of which net doubtful debts	15,161	16,704	-1,543	-9.24%
Securities owned	133,619	197,201	-63,582	32.24%
Net equity	89,939	87,566	2,373	2.71%
Profit (loss) for the year	2,351	490	1,861	380%
Employees at year end	97	100	-3	3.00%
Branches	11	11	-	-

The bank operating in the Campania region was subject to radical organizational and commercial restructuring designed to provide the necessary soundness and stability of economic resources to assume a more aggressive and competitive stance on the market. The restructuring operation, which started in mid 1999 at the same time as the bank's entry into the group, has already started to generate the expected positive results.

Deposits have started to grow at a steady rate, both in terms of the direct component (+ 11.7%), and the indirect part (+ 23%). The bank is progressively increasing its hold on the market thanks to an offer of an increasingly broad range of deposit and credit facilities and general financial services. Positive increases have also been registered in terms of loans to customers (+22%) and the number of accounts (+19.6%).

The bed debts / loans ratio has shown a marked improvement, falling from the 11.66% of 1999 to the 8.68% of 2000.

Net profits were generated for a value of L.2.4 billion against the L.490 million of 1999. An essential contributory factor in achieving this result was the containment of operating costs, which were reduced with respect to the previous year, not to mention the increase in the brokerage margin (+28.5%).

During the course of the year the bank converted its share capital into Euros, providing an increase in capital stock at no cost to shareholders by utilizing reserves to the value of L.3,073 billion.

Carispaq is the other major group member bank operating in the Abruzzi region, being controlled, together with Banca popolare di Lanciano e Sulmona, through the sub-holding Finbanche d'Abruzzo.

At just one year from its entry into the Group, Carispaq has already achieved a significant turnaround which has had a radical effect on its structure and approach to the market. The first change to take place was the updating of the IT system, an operation that was carried out successfully in June and which allowed CARISPAQ to use the same procedures as those adopted by the Parent company, managed in a service contract by fellow group member Metelliana.

CARISPAQ Cassa di Risparmio della Provincia dell'Aquila

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	1,454,095	1,337,402	116,693	8.73%
Indirect deposits	1,964,214	1,384,627	579,587	41.85%
Total deposits	3,418,309	2,722,029	696,280	25.70%
Loans	1,087,655	939,627	148,028	15.57%
<i>of which net doubtful debts</i>	73,138	71,220	1,918	2.69%
Securities owned	509,174	423,034	86,140	20.36%
Net equity	223,583	222,540	1,043	0.46%
Profit for the year	1,043	406	637	156.89%
Employees at year end	443	471	-28	-5.94%
Branches	38	34	5	11.76%

A proportion of the personnel originally employed in the previous independent EDP centre were redeployed to cover various other functions in the bank. The remainder were put through a training programme and then allocated to Metelliana.

Another important phase of the restructuring process was the complete revision of the organizational structure with the aim of strengthening the commercial network, further to an intensive staff training programme. Wherever considered necessary, incentives were provided to encourage some staff members to accept a redundancy package.

The bank's presence in the territory was increased, with the network rising from 34 branches to 38, thanks to the opening of three new branches in the regional capital and the Sassa Scalo branch in the province of L'Aquila.

The number of employees fell by 28, from the original 471 to the current 443.

In concert with Banca popolare di Lanciano e Sulmona, during the second half of the year Carispaq approved the project of outsourcing various management activities to Finbanche, thus paving the way for further simplification of its structure and additional reduction of operating costs.

The effects of this change are clearly evident in the balance sheet and income statement entries.

The year closed with a more than satisfactory growth in total deposits (+25.7%), which reached the value of L.3,418 billion; a prudent selection strategy restricted the rise in loans, although a significant increase of 15.6% was still registered. Careful attention paid to the quality of loans and greater efficiency in the management of bad debts, with the aim of speeding up recovery, served to reduce the incidence of bad debts on total loans, which fell from the previous 7.6% to the current 6.7%.

The financial year closed with profits slightly higher than one billion Lire, as against the approximately L.400 million of the previous year, although the figure was strongly influenced by extraordinary components. Apart from the result, the entire structure of the income statement was significantly different from that of 1999: the brokerage margin touched L.100 billion (against the L.88 billion of 1999); administrative costs rose by 10% due to the effect of one-off cost components connected to the restructuring operations; and value adjustments on loans were radically downscaled. Substantially, the final result is largely due to the ordinary management; the current operative conditions reveal the potential for considerable profits that may be obtained over the next few years.

Banca popolare dell'Irpinia s.p.a.

In the latter part of the year, as mentioned earlier, the acquisition of the majority shareholding of Banca popolare dell'Irpinia was successfully concluded (with a quota of more than 46%), this being the Group's major acquisition to be made to date.

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	3,157,615	2,535,740	621,875	24.52%
Indirect deposits	1,884,843	1,711,963	172,880	10.10%
Total deposits	5,042,458	4,247,703	794,755	18.71%
Loans	1,944,526	1,721,705	222,821	12.94%
<i>of which net doubtful debts</i>	325,398	336,787	-11,389	-3.38%
Securities owned	560,815	594,895	-34,080	-5.73%
<i>of which locked-up</i>	147,870	147,895	-25	-0.02%
Net equity	433,918	392,946	40,972	10.43%
Profit (loss) for the year	1,401	(28,826)	30,227	104.86%-
Employees at year end	669	680	-11	-1.62%
Branches	59	56	3	5.36%

The bank has 59 branches in the Campania provinces of Avellino (28), Naples (15), Salerno (7) Benevento (3) and Caserta (3), in addition to branches outside the region in Melfi (PZ), Potenza and Rome. The very close ties with the Campania region represent the major strength of the bank, which has undergone several years of crisis, due to the significant worsening of the local economic situation, which as afflicted the building construction sector in particular, and caused also by the negative results of the bank's investments on financial markets.

This acquisition is part of the Group's strategy to strengthen its presence in the Campania region, already partly covered by Banca Popolare di Salerno and several branches of the Parent company, the majority of which acquired en bloc with the assets and liabilities of the ex Credito Commerciale Tirreno.

The ingress of the Irpinia bank coincided with a radical financial and organizational revision aimed at achieving significant cost reductions while making the most of the full potential that the bank displays in its market.

Over the past year the bank has registered growth of total deposits (+18.7%) and loans (+12.9%); although it is obliged to support the burden represented by bad debts, the level of which (equal to 16.73% of loans) calls for the adoption of more stringent policies in the granting of credit and a complete revision of the current system of bad debt recovery; in this context, the possibility of carrying out extraordinary operations that serve to transfer the management of the majority of bad debts to other parts of the Group structure cannot be excluded. Within the terms of Law 342/2000 the group has revalued corporate assets for L.49 billion and has created a reserve of L.41 billion net of tax.

The organizational and management restructuring operation will be the first task to assign to the new General Manager of the bank, who has been appointed in the person of Francesco Fornaro, who headed our subsidiary Banca popolare di

Aprilia with the maximum efficiency and professionalism up to the opening months of 2001.

The positive economic result obtained in the last financial year provided a welcoming break from the losses of the preceding two years, although it was aided by the influx of extraordinary income that will not be repeated in the future.

Banca popolare dell'Emilia Romagna (Europe) International s.a.

The closure, last April, of the Luxembourg branch of the Parent company assisted a further increase in the volume of deposits and loans of the international arm of the bank in Luxembourg.

Clearly also the income statement was positively influenced by this situation thanks to the greater potential for business offered by incoming new customers. Management, which was already highly attentive and profitable, has achieved even better results than before.

Profits for the year rose by 24%, amounting to L.2.8 billion.

(in millions of Lire)

	2000	1999	<i>variations</i>	
Direct deposits	1,606,109	1,263,082	343,027	27.16%
Indirect deposits	295,797	337,376	-41,579	-12.32%
Total deposits	1,901,906	1,600,458	301,448	18.83%
Loans	248,850	158,956	89,894	56.55%
Securities owned	39,576	227,317	-187,741	-82.59%
of which locked-up	9,970	9,949	21	0.21%
Net equity	64,495	61,638	2,857	4.63%
Profit for the year	2,856	2,298	558	24.28%
Employees at year end	13	6	7	116.67%
Branches	1	1	—	—

Finbanche d'Abruzzo s.p.a.

Incorporated at the end of October 1999, the company – as mentioned earlier – holds controlling shares in Banca popolare di Lanciano e Sulmona and CARISPAQ, Cassa di Risparmio della provincia dell'Aquila. The company structure includes, as you are aware, Fondazione Cassa di Risparmio dell'Aquila and the insurance institute La Fondiaria.

Finbanche initially performed its role of financial holding company as the pole for the aggregation of the Group's banks in the Abruzzi region.

In the second half of the year a project was developed and put into effect for the assignment of administrative and support services to Finbanche, to be provided to its holdings in an outsourcing formula.

Among the outsourced services, the most important is that of data processing, which is supplied by an IT structure set up at the start of this year.

The result for the 2000 financial year was substantially achieved by the dividends received from the holdings, and amounts to net profits of L.2,919.5 billion.

Nadia s.p.a.

In 2000 as in the previous year, this property company performed intense activities of management and administration of its considerable portfolio of buildings and land, working in complete accord with the Parent company and making use of the services offered by the bank's technical department.

The most significant investments concerned construction sites: for renovation of the "Centro Emilia Est" in Modena, construction of a building complex to accommodate offices, commercial services, and warehouses, in via Danimarca, in combination with the bank; completion of the large multi-purpose complex "Forum" in Via Aristotele, Modena.

The company also purchased several properties of various types, including properties that were acquired from judiciary auctions for the purposes of debt recovery by the Group Parent company.

Throughout the year several properties were disposed of, generating appropriate levels of capital gains.

Nadia decided not to recourse to the facility to revalue its real estate assets, because having received the properties in transfer from the Group Parent company, the values of the assets entered into the balance sheet, although the figures are extremely prudential, were considered to be acceptable.

Despite the increase in rent collected, the revenue was still insufficient to cover management costs and, particularly, amortizations which increased sharply due to the use of the "Centro di formazione e cultura" which forms part of the previously mentioned "Forum" complex, completed during the course of the year. Another negative factor influencing the result was the increased proportion of non-deductible VAT on purchases.

The company's income statement closes with a loss of approximately L.781 million (compared to the previous year's profit of L.735 million), which was carried forward in the conviction that the amount would be fully absorbed by profits generated during the current year.

Em.Ro. popolare s.p.a.

Our finance company managed the shareholdings that make up the portfolio with the utmost attention and profitability during the course of 2000.

The most significant movements concerned the following operations:

- ARCA Vita s.p.a.: following the acquisition of new shares placed on the market by third parties, with an investment of L.13,322 million, the shareholding in the capital of Compagnia di assicurazioni rose from the 17.77% of the previous year to the current 23%, making Em.Ro. the majority shareholder of the company;
- B&A Broker s.p.a.: with the acquisition of additional shares, previously held by third parties, for an investment of L.417 million, the proportion held by the company increased from the previous 14.29% to the current 42.86%. Also in this case, our finance company acquired the role of majority shareholder of the company;
- Centrobanca s.p.a.: following the subscription of new shares issued by the Institute at short term, acquired by option and also by reference rights for a total investment of L.6,794.3 million, the shareholding in the company was increased from 2.28% to 3.32%;
- Istituto Centrale delle Banche popolari s.p.a.: with an increase in capital stock of the company, subscriptions were made to new shares, by option or

preference rights, for a total investment of L.4,600 million. The size of our shareholding thus increased from 5.81% to 6.54%;

- Leasinvest s.p.a.: a share package in this company was purchased from third parties for a total investment of L.3,085.5 million. The total shareholding in the company capital stock thus rose from the previous 20.2% to 32.05%.

The portfolio of Em.Ro. popolare is entered into the financial statements for approximately L.271 billion, a figure that is considerably lower than the real value of the shareholdings.

The complete list of these shareholdings is included in an annex to these financial statements.

The income statement of the finance company closes - following an allocation of L.4,840 million to the newly constituted generic financial risks reserve - with net profits of approximately L.961 million. The forgoing reserve provision is designed to safeguard against any risks that exist in the portfolio of shareholdings.

EMRO Finance Ireland Ltd.

The Irish finance company reached a highly satisfactory close to its second year of operations, meeting in full the expectations and programmes decided at the time of its incorporation.

The company made a significant increase in its investments and its activities, achieving - also thanks to the competence of its personnel and the careful restriction of all items of expense - a truly significant level of profit, equal to L.15,560 million, obtained from financial investments, brokerage of Italian and foreign shares, and the rendering of financial services.

Magazzini generali della provincia di Modena s.p.a. and Modena Terminal s.r.l.

"Magazzini Generali" substantially discontinued its activity of storage and maturing of "parmigiano-reggiano" Parmesan cheeses; in fact, the company leased, with effect from 1 May 2000, the management of its facilities in Campogalliano and Mirandola; the lessor was our subsidiary Modena Terminal s.r.l., which thus took over, in accordance with the strategic policy of the Group Parent company, all activities of storage and service previously carried out by "Magazzini Generali" (which in the meantime had vacated the maturing plant in Modena, transferring to Campogalliano the cheeses previously stored there).

The economic results of the two companies cannot be easily compared with those obtained the previous year because of the corporate integration and restructuring operations described above.

"Magazzini Generali" closes its income statement with a loss of L.410 million, which is a direct result of the increased amortization costs of the assets remaining in its ownership.

In closing the financial year, taking advantage of the facilities offered by tax regulations, the company revalued its fixed assets; this operation led to the creation of a new assets revaluation reserve of L.6,253 millions, net of substitution tax due to the Tax Authorities in respect of the revaluation.

The values in the financial statements of Modena Terminal reflect the effects of the acquisition of the business which was leased from "Magazzini Generali". The economic cost of the operation obviously affected the overall results, which nonetheless remained positive, with the company closing the year with net profits of almost L.118 million.

The benefits of the resulting concentration of the various service and storage activities are expected to emerge at the end of the current financial year.

Metelliana s.p.a.

This company successfully performed its assigned task of supplying IT services to the Group's banks located in the central and southern areas of Italy.

During the year Metelliana also took over IT services for Cassa di Risparmio dell'Aquila, which were subsequently transferred in the opening months of 2001, together with services for Banca popolare di Lanciano e Sulmona, to the new IT pole created at Finbanche d'Abruzzo.

Metelliana also took charge of the migration of information systems previously utilized by Banca popolare della Val d'Agri, which was subsequently taken over by Banca Popolare del Materano.

The company closed the financial year with significant net profits of L.794 million.

Having reached the end of this overview of the progress and results of the main companies making up the Group, the next section contains an illustration of the data from the Group's consolidated financial statements as at 31 December 2000.

group consolidated financial statements

We wish to confirm that the consolidated financial statements were drawn up in conformity with the provisions of Decree Law n.87/1992 and the application instructions issued by the Bank of Italy. The principles adopted for formation of the financial statements are described in the supplementary notes.

After having applied the due aggregations and adjustments, the financial statements provide a full and fair representation of the dimensions and results of the Group.

Below we give the key items and aggregates, comparing them, for information purposes, with the corresponding values from the 1999 consolidated financial statements.

We invite you to note that any considerations regarding the comparisons that are made must take into account the different dimensions and configuration that the Group has now assumed further to the changes in shareholdings in the various aggregated companies and in the companies that have joined the Group during 2000, as illustrated previously.

Direct deposits of customers	L. 31,311 billion	+21.44%
Deposits from banks	L. 4,081 billion	- 1.80%
Indirect deposits (non-accounting record)	L. 32,272 billion	+ 11.85%
Third party funds administrated or managed	L. 67,664 billion	+15.09%

Receivables from banks and liquid assets	L. 4,183 billion	+29.30%
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Net amounts receivable from customers	L. 26,376 billion	+26.08%
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of which L.935 billion from doubtful receivables, corresponding to 3.54% of total loans.

Gilts or similar securities	L. 7,820 billion	+ 0.75%
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The Group portfolio - in respect of the part composed of gilts or similar securities - has a nominal total value of L.8,208.0 billion; this amount regards, for a nominal value of L.6,961 billion, the non locked-up part, and the locked-up part for a nominal value of L. 1,247 billion.

The relative book value is divided into L.6,741.6 billion regarding the free portfolio and L.1,078.4 billion regarding the locked-up part.

The market value of the securities, at year's end, amounted to L.7.821.7 billion, of which L.6,773,6 concerns the free portion and L. 1,048.1 billion the locked-up portion.

It follows that a potential unrealized capital gain exists in the free portfolio of L.31.9 billion, while in the locked-up portfolio latent losses can be calculated at a net value of L.30.4 billion.

The locked-up securities, of long term investment, are distributed as follows:

- L.413.2 billion in the Parent Company balance sheet;
- L.40.2 billion in the balance sheet of Banca popolare di Ravenna s.p.a.;
- L.49.1 billion in the balance sheet of Banca popolare di Crotone s.p.a.;
- L.174.5 billion in the balance sheet of Banca popolare di Aprilia s.p.a.;
- L.240.5 billion in the balance sheet of Banca popolare di Lanciano e Sulmona s.p.a.;
- L.1 billion in the balance sheet of Banca popolare di Castrovillari e Corigliano Calabro s.p.a.;
- L.2 billion in the balance sheet of Banca popolare del Sinni s.p.a.;
- L.10 billion in the balance sheet of Banca popolare dell'Emilia Romagna (Europe) International s.a.;
- L.147.9 billion in the balance sheet of Banca popolare dell'Irpinia s.p.a.

The consolidated balance sheet item is net of negative adjustments applied to the income statement at the moment of formation of the individual financial statements of the banks of the group, for a total of L.47.2 billion.

Shares, quotas and equity titles	L. 248 billion	+117.5%
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From the comparison between the book value and the market value, determined at L.253.5 billion, potential capital gains emerge of L.5.3 billion in the traded shares portfolio.

Investments in non-group companies	L. 433 billion	+67.83%
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Significant interests (i.e. investments in companies that although not part of the group are subject to considerable influence, with the group holding at least 20% of the capital) are as follows:

- a) of the Parent company:
 - in the Consorzio Banche Popolari dell'Emilia Romagna e Marche (Bologna), for a quota of 23.587%;
 - in Sintesi 2000 s.r.l. (Milan), for a quota of 33.333%;
- b) of Em.Ro. popolare s.p.a.:
 - in A.B.F. Leasing s.p.a. (Milan), for a quota of 50%;
 - in B&A Broker s.p.a. (Verona), for a quota of 42.857%;
 - in ARCA Vita s.p.a. (Verona), for a quota of 23%;
 - in Progetto Immobiliare s.r.l. (Modena), for a quota of 20.833%;
 - in A.B.F. Factoring s.p.a. (Milan), for a quota of 45%;
 - in Leasinvest s.p.a. (Bologna), for a quota of 32.05%;
- c) of Banca popolare dell'Emilia Romagna (Europe) International s.a.:
 - in Sofipo Fiduciaire s.a. (Lugano), for a quota of 30%.

Intangible assets	L.	57 billion	+ 9.62%
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of which L.6.2 billion relative to goodwill paid, in the course of gradual amortization.

Net fixed assets	L.	804 billion	+34.45%
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of which L.715 billion relating to property (excluding that of the companies Magazzini Generali della Provincia di Modena s.p.a. and Modena Terminal s.r.l., for which consolidation was carried out in accordance with the "net equity" method as explained in the supplementary notes).

Consolidated net equity	L.	2,403 billion	+11.10%
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This item includes: the reserve for general banking risks, the negative differences in net equity, and the profit for the year.

Subordinate liabilities	L.	626.6 billion	+155.2%
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The significant increase in subordinate liabilities is largely due to the issue by the Parent company, of a convertible stock loan of more than L.224 billion, with due date in 2005, and by the entry into the Group of Banca popolare dell'Irpinia, the liabilities of which include two subordinate loans for a total of L.140 billion.

Total net equity	L.	3,766.5 billion	+25.75%
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of which:

Pertaining to minority interests	L.	737.1 billion	+25.61%
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Result from the income statement	L. 315.5 billion	+16.51%
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This figure is net of L.301.3 billion income tax. It includes preliminary allocations to the reserve for general banking risks, for the quota pertaining to the Parent company, of L.15.8 billion as well as the profit share pertaining to minority interests, of L.29 billion.

Consolidated net profit	L. 270.7 billion	+48.98%
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We draw your attention to the fact that the consolidated net profit is not influenced by the income statement of Banca popolare dell'Irpinia, whose financial statements were consolidated only for balance sheet items.

The profit derives from the algebraic sum of the quotas referable to the group, according to the dimensions of the holding, of the profits (losses) for 2000 of the following companies of the Group:

Banca popolare dell'Emilia Romagna s.c.r.l., net profit	L.	214,936	Million
Banca popolare di Ravenna s.p.a., net profit	L.	11,617	Million
Banca popolare di Lanciano s.p.a., net profit	L.	2,723	Million
Banca popolare del Materano s.p.a., net profit	L.	3,300	Million
Banca CRV Cassa di Risparmio di Vignola s.p.a., net profit	L.	13,151	Million
Banca popolare di Crotone s.p.a., net profit	L.	2,851	Million
Banca del Monte di Foggia s.p.a., net profit	L.	872	Million
Banca popolare di Aprilia s.p.a., net profit	L.	4,275	Million
Banca popolare di Salerno s.p.a., net profit	L.	1,751	Million
Banca popolare di Castrovillari e Corigliano Calabro s.p.a., net profit	L.	233	Million
Banca popolare dell'Emilia Romagna (Europe) International s.a., net profit	L.	2,856	Million
CARISPAQ Cassa di Risparmio della provincia dell'Aquila, net profit	L.	446	Million
Banca popolare del Sinni s.p.a., net profit	L.	46	Million
Nadia s.p.a., loss	(-) L.	781	Million
Em.Ro. popolare s.p.a., net profit	L.	961	Million
EMRO Finance Ireland Ltd., net profit	L.	15,561	Million
Finbanche d'Abruzzo s.p.a., net profit	L.	1,515	Million
Metelliana s.p.a., net profit	L.	794	Million
Ri.Tri.Mat. s.p.a., loss	(-) L.	985	Million
A.B.F. Leasing s.p.a., net profit	L.	2,712	Million
Net for the group	L.	278,834	Million
Negative consolidation adjustments	(-) L.	8,136	Million
Consolidated net profit	L.	270,698	Million

We report that staff at the branches of the banking companies of the group in employment at 31 December 2000 numbered 6,486.
The branches of the banks forming part of the group, at the same date, numbered 551.

We specify that any data concerning the various companies of the group - if not given in this report - can be found in the balance sheet and income statement at the end of 2000 of each of these companies. The relative financial statements are included in full in this folder.

As required by the current financial reporting regulations, we present, with reference to 31 December 2000, the following statement:

Statement of reconciliation between the net equity and the result for the year of the parent company and the consolidated net equity and profit (in millions of lira)

	Increase (reduction)	
	Profit for the year	Net equity
Financial statement balances of the parent company	214,936	2,305,521
Differences between the net equity of the companies consolidated fully, less minority interests, and the value of the relative investments in the statements of the controlling companies and the quotas of depreciation of the goodwill for the investments, recognised at the moment of the acquisition of control.	30,019	40,642
Dividends received in the year relating to companies consolidated fully	(20,361)	--
Offset of the effect of entries made with the sole purpose of obtaining fiscal benefits	37,332	37,332
Difference between the value per share of the profit and net equity and the book value of the companies valued by the net equity method	8,772	19,276
Total profit for the year and consolidated net equity	270,698	2,402,771
Reserves for risks on receivables		3,902
Total consolidated net equity and reserves for risks		2,406,673

Modena, 26th March 2001

The Board of Directors
Chairman
Carlo Baldoni

Consolidated financial statements for 2000
(Amounts are stated in million of italian lire))

Consolidated balance sheet as of December 31, 2000

assets		2000	1999
10.	Cash and deposits with central banks and post offices	283,785	195,619
20.	Treasury certificates and similar bills eligible for refinancing with central banks	2,021,161	2,579,577
30.	Due from banks:	3,899,556	3,039,310
	(a) repayable on demand	1,551,559	1,399,681
	(b) other deposits	2,347,997	1,639,629
40.	Loans to customers	26,376,475	20,919,743
	<i>including: loans using public funds</i>	7,176	6,510
50.	Bonds and other debt securities:	5,799,026	5,181,994
	(a) public entities	3,461,461	2,995,687
	(b) banks	1,281,436	1,357,719
	including: treasury bonds	120,226	34,255
	(c) financial institutions	717,240	514,286
	(d) other issuers	338,889	314,302
60.	Shares, quotas and other forms of capital	248,121	114,239
70.	Equity investments	432,901	257,817
	(a) carried at equity	58,994	14,346
	(b) other	373,907	243,471
80.	Investments in Group companies	32,373	21,778
	(a) carried at equity	32,373	21,778
90.	Goodwill arising on consolidation	310,883	237,053
100.	Goodwill arising on the application of the equity method	9,282	307
110.	Intangible fixed assets	57,440	52,453
	<i>including: start-up costs</i>	1,304	1,985
	<i>including: goodwill</i>	6,199	12,768
120.	Tangible fixed assets	803,624	597,928
140.	Treasury stock (par value, Lire 249)	48,443	2,989
150.	Other assets	1,176,949	1,465,369
160.	Accrued income and prepaid expenses:	231,844	199,658
	(a) accrued income	216,709	186,917
	(b) prepaid expenses	15,135	12,741
Total assets		41,731,863	34,865,834

guarantees and commitments		2000	1999
10.	Guarantees given	4,939,552	3,859,484
	including: acceptances	68,331	75,172
	other guarantees	4,871,221	3,784,312
20.	Commitments	2,683,197	1,253,292

liabilities and stockholders' equity		2000	1999
10.	Due to banks:	4,081,134	4,156,080
	(a) repayable on demand	666,258	1,178,075
	(b) term deposits	3,414,876	2,978,005
20.	Due to customers:	20,355,431	16,674,888
	(a) repayable on demand	15,662,731	13,355,156
	(b) term deposits	4,692,700	3,319,732
30.	Securities issued:	10,955,509	9,107,572
	(a) bonds	5,878,336	4,074,572
	(b) certificates of deposit	4,838,276	4,943,871
	(c) other	238,897	89,129
40.	Public funds administered	22,573	21,157
50.	Other liabilities	1,496,023	1,023,247
60.	Accrued expenses and deferred income:	158,489	115,319
	(a) accrued expenses	128,834	84,084
	(b) deferred income	29,655	31,235
70.	Provision for termination indemnities	289,419	247,253
80.	Provision for risks and charges:	602,923	520,962
	(a) pensions and similar commitments	186,301	207,621
	(b) taxation	322,636	219,116
	(c) other	93,986	94,225
90.	Provisions for loan risks	3,902	4,126
100.	Reserve for general banking risks	150,824	134,983
110.	Subordinated liabilities	626,558	245,477
130.	Negative goodwill arising on application of the equity method.	2,819	2,740
140.	Minority interest (+/-)	737,131	586,795
150.	Capital stock	386,072	166,058
160.	Additional paid-in capital	412,499	631,318
170.	Reserves:	1,143,040	1,034,935
	(a) legal reserve	173,227	148,973
	(b) reserve for the purchase of treasury stock	48,443	2,989
	(c) statutory reserve	213,160	164,090
	(d) other reserves	708,210	718,883
180.	Revaluation reserves	36,819	11,185
200.	Net income	270,698	181,739
	Total liabilities and stockholders' equity	41,731,863	34,865,834

Chief Accountant
Sergio Iotti

General Manager
Guido Leoni

Chairman
Carlo Baldoni

Consolidated Statement of Income for the year ended December 31, 2000

caption		2000	1999
10.	Interest income and similar revenues	1,976,122	1,460,968
	<i>including from: loans to customers.....</i>	<i>1,464,036</i>	<i>1,045,148</i>
	<i>debt securities</i>	<i>388,046</i>	<i>352,418</i>
20.	Interest expense and similar charges	(919,135)	(655,146)
	<i>including on: due to customers</i>	<i>(353,869)</i>	<i>(200,011)</i>
	<i>securities issued.....</i>	<i>(283,876)</i>	<i>(244,215)</i>
30.	Dividends and other revenue:.....	20,296	24,161
	(a) from shares, quotas and other forms of capital	3,219	6,819
	(b) from equity investments	14,827	14,427
	(c) from investments in group companies	2,250	2,915
40.	Commission income	597,998	489,765
50.	Commission expense	(33,397)	(27,648)
60.	Profits on financial transactions	38,381	(14,532)
70.	Other operating income	130,518	109,483
80.	Administrative costs:	(964,005)	(835,183)
	(a) payroll.....	(588,640)	(507,612)
	<i>including: wages and salaries</i>	<i>(422,606)</i>	<i>(366,330)</i>
	<i>social charges.....</i>	<i>(112,457)</i>	<i>(99,000)</i>
	<i>termination indemnities</i>	<i>(34,381)</i>	<i>(28,393)</i>
	<i>pensions and similar commitments</i>	<i>(17,211)</i>	<i>(12,527)</i>
	(b) other	(375,365)	(327,571)
90.	Adjustments to intangible and tangible fixed assets	(113,741)	(102,534)
100.	Allocation to risks and charges	(11,468)	(9,559)
110.	Other operating expenses	(10,360)	(7,413)
120.	Adjustments to loans and provisions for guarantees and commitments	(190,965)	(180,002)
130.	Writeback of loans and provisions for guarantees and commitments	64,493	40,575
150.	Adjustments to long-term investments	(1,849)	(1,703)
160.	Writeback of long-term investments	178	1
170.	Income from investments carried at equity	11,134	1,867
180.	Income from operating activities.....	594,200	293,100
190.	Extraordinary income	35,478	180,498
200.	Extraordinary expense	(12,872)	(11,559)
210.	Extraordinary income (loss).....	22,606	168,939
230.	Change in the reserve for general banking risks	(15,841)	(48,571)
240.	Income taxes	(301,270)	(191,271)
250.	Third party income	(28,997)	(40,458)
260.	Net income	270,698	181,739

Chief Accountant
Sergio Iotti

General Manager
Guido Leoni

Chairman
Carlo Baldoni

consolidation area and criteria

consolidation area

The financial statements were prepared by consolidating the individual balance sheets of the following companies:

with integral method

- the Parent company Banca popolare dell'Emilia Romagna s.c.r.l.;
- Banca popolare di Ravenna s.p.a.;
- Banca popolare di Lanciano e Sulmona s.p.a.;
- Banca popolare del Materano s.p.a.;
- Banca CRV Cassa di Risparmio di Vignola s.p.a.;
- Banca popolare di Crotone s.p.a.;
- Banca del Monte di Foggia s.p.a.;
- Banca popolare di Aprilia s.p.a.;
- Banca popolare dell'Emilia Romagna (Europe) International s.a.;
- Banca popolare del Sinni s.p.a.;
- Banca popolare di Salerno s.p.a.;
- Banca popolare di Castrovillari e Corigliano Calabro s.p.a.;
- CARISPAQ Cassa di Risparmio della provincia dell'Aquila s.p.a.;
- Banca popolare dell'Irpinia s.p.a., only with reference to the assets; the economic result was entered under shareholders' equity in consideration of the limited time in which bank has been a member of the Group, since the majority shareholding was only acquired at the end of 2000.
- Finbanche d'Abruzzo s.p.a.;
- Em.Ro. popolare s.p.a.;
- EMRO Finance Ireland Ltd.;
- Nadia s.p.a.;
- Metelliana s.p.a.;
- Ri.Tri.Mat. s.p.a.;
- IM.PI. s.r.l.; also in this case the bank is entered exclusively in terms of assets for the same reasons as those illustrated above with reference to the holding company Banca popolare dell'Irpinia.

proportional method

- ABF Leasing s.p.a.;

net equity method

- BPER International Advisory Company s.a.;
- Modena Terminal s.r.l.;
- Magazzini Generali della Provincia di Modena s.p.a.;
- S.I.M.A. s.p.a.;
- CONFORM - Consorzio Formazione Manageriale;
- I.FORM. - Irpinia Formazione s.r.l.;
- Fin.Roma s.r.l.;

the foregoing companies, although forming part of the group, have been consolidated with the net equity method because their inclusion would have been irrelevant for the purposes of a true and correct representation of the group's assets, and financial and economic situation;

- Co.Ba.Po. Consorzio Banche Popolari dell'Emilia Romagna Marche;
- Sintesi 2000 s.r.l.;
- ABF Factoring s.p.a.;

- Arca Vita s.p.a.;
- Leasinvest s.p.a.;
- B. & A. Broker s.p.a.;
- Progetto Immobiliare s.r.l.;
- Sofipo Fiduciaria s.a.;

The asset values utilized are those obtained from the financial statements as at 31 December 2000.

consolidation criteria

The criteria adopted for preparation of the consolidated financial statements are as described below:

- at the time of the first consolidation, the book value of the shareholdings of companies consolidated in accordance with the integral or proportional methods is reduced to zero in respect of the net equity of said companies (or the quotas of net equity that the various shareholdings effectively represent).
Any excesses of the value of shareholdings, where not ascribable to assets or liabilities or not compensated with revaluation reserves and the credit risk funds of the companies to which they refer, are entered under the item "positive consolidation differences". These amounts have been amortized over a five year period, with the exception of banking concerns, for which a ten year amortization criteria has been adopted, in relation to the temporal persistence of the relative goodwill value.
Any excesses of value of net equity (or pertinent quotas of the same), with respect to the book value of the relative shareholdings, have been entered under the item "negative consolidation differences";
- accounts payable and accounts receivable, "off balance sheet" operations and income and costs of significant amounts, having origin in relations between companies that have been consolidated, have been set off against each other;
- with respect to leasing companies, consolidation was performed on the basis of the financial statements drawn up in accordance with the financial method;
- the quotas of net equity and profit for the year pertaining to minority shareholders of consolidated companies are entered in specific items, respectively, of liabilities in the balance sheet and in the income statement;
- the book value of substantial shareholdings, held by the parent company, or by other group companies, regarding companies consolidated with the net equity method, is proportional to the pertinent net equity quota of the holdings. Any excess with respect to the book value - resulting from the initial application to the consolidated financial statements - gives rise to "positive differences of net equity", amortizable in five years; on the contrary, negative value differences give rise to "negative differences of net equity";
- variations of the net equity value, which have taken place in the years following the year of initial application, are entered in item 170 of the consolidated income statement ("profits and losses of shareholdings valued to net equity") in the measure in which the changes are related to profits or losses of the shareholdings in question.

Accounting policies

Section 1 – Illustration of assessment criteria

The financial statements were drawn up in compliance with the statutory legal provisions and with reference to the accounting principles established by the Italian accounting standards associations Consiglio nazionale dei dottori commercialisti and Consiglio nazionale dei ragionieri, and, where no such indications exist, with reference to the principles set down by the International Accounting Standards Committee (I.A.S.C.).

1. Receivables, guarantees and loans

Receivables from customers, adjusted by the relevant accruals and deferrals, are entered at their presumed realization value.

Receivables subject to analytical evaluation are entered net of predicted losses, with the utilization, up to the extent of their contents, of provisions to doubtful debt funds. The devaluation of receivables from foreign debtors, in the presence of the so-called "Country risk", is calculated by means of presumptive assessment, again making use of the previously mentioned funds.

As a prudential provision, taking into account risks that may emerge in the future, we have devalued receivables that are overdue or that refer to debtors in a state of temporary difficulty (so called watchlisted or restructured receivables); we have also performed an all-in devaluation of receivables that do not currently present any signs of anomaly, to account for the physiological risk that is associated in general with receivable accounts.

Identical criteria were utilized to assess endorsement credits for sureties and guarantees. Consideration was also reserved for risks of revocatory risks associated with bankruptcy or legal proceedings; these risks are covered by means of specific allocations to "provisions for liabilities and charges - others" (item 80d under liabilities). Receivables from banks, including interest matured, and other receivables are entered at their presumed realization value, corresponding to the book value net of fixed devaluations that may be applied in consideration of the so called "country risk". The original value of receivables is restored when the reasons that gave rise to the value adjustments are no longer applicable.

Guarantees granted are entered for a value equivalent to the financial exposure assumed.

Securities and bills receivable are entered at the price at the term established contractually with the other party.

Commitments to disburse funds to third parties are entered for the amount to be paid.

2. "Off-balance sheet" Securities and operations (other than those illustrated above)

2.1 Locked-up securities

Locked-up securities are entered at cost value, adjusted, in relation to the period of possession, by the issue difference or the negotiation difference. These instruments are devalued in the event of a durable deterioration of the solvency situation of the issuer or the capacity to repay the debt by the Country of residence of the issuer. The original cost is restored as soon as the reasons for the value adjustment carried out cease to exist.

Any transfers of non locked-up securities into the locked-up portfolio, are executed at book value without entering profits or losses in the income statement.

2.2 Non locked-up securities

Securities that are not locked-up, if quoted, are valued at the lesser amount between cost, determined using the LIFO method in steps on an annual basis (adjusted by the issue difference), and market price, given by the average price recorded in the last month of the year, with the exception of our subsidiary EMRO Finance Ireland, which assesses its securities at market value; the relative effect is shown in the notes to the financial statements, section 3, part C.

Unquoted securities are entered at the lesser value between cost and current value, determined on the basis of the indications of information providers or, if not available, calculating at market rates the future financial flows of the securities in question.

The original cost is restored as soon as the reasons that provoked the value adjustment cease to exist.

Own shares are entered at the lesser value between purchase cost and market value; the relative investment is fully covered by a specific equity reserve created using net profits, in accordance with article 2357 ter of the Civil Code.

2.3 "Off-balance sheet" operations

Off-balance sheet operations for hedging transactions are assessed in compliance with assets and liabilities, on balance sheet or off balance sheet, that are the object of the hedging transaction, and give rise to the formation of interest, income, or assimilated costs in the income statement.

Off-balance sheet operations other than hedging transactions are assessed at the lower amount between cost and the market value and concur, in the income statement, to the formation of "profits from financial operations".

Commitments for forward purchases/sales of securities and complex financial operations connected with the securities, mainly composed of groups of derived contracts, are evaluated using the same principles as applied to off-balance sheet operations.

3. Equity investments

Equity investments that do not fall within the consolidation area and are not assessed with the net equity method (because they are relative to companies that are not subject to significant influence) are entered at their book value, corresponding to the purchase and/or subscription price.

These values are reduced in the presence of reductions that are considered to be of a durable nature.

The original value of the investment is restored in future years if, and in the relative measure that, the reasons for the original value adjustment should cease to exist.

4. Assets and liabilities in foreign currencies (including "off-balance sheet" operations)

Assets and liabilities in foreign currencies are converted into Lire at the exchange rate in force at year end, with the relative effect appearing among the entries in the income statement.

Costs and income expressed in foreign currencies are shown at the exchange rate in force at the time of pertinence.

Off-balance sheet operations in foreign currency other than hedging transactions, if referred to cash operations are evaluated as the other entries in foreign currency; if referred to forward operations, they are evaluated on the basis of the exchange rate in force at year end, for expiries corresponding to those of the operations that are the subject of evaluation. The effects of these valuations are entered in the income statement under the item "profits and losses from financial

operations".

Off-balance sheet operations in foreign currency, serving as hedging transactions, are evaluated in conformity with assets and liabilities, either on- or off-balance sheet, that were the subject of the hedge. These operations give rise to the formation of interest, income, or assimilated costs in the income statement.

5. Fixed assets

Fixed assets are entered at purchase cost, inclusive of accessory charges and increased expenses - adjusted, for some assets, further to revaluations applied in conformity with the law, or to the value attributed at the time of assignment. The amount entered in the financial statements corresponds to the book value of the assets, after deducting depreciation determined in accordance with the methods illustrated below.

Fixed assets are systematically depreciated in each financial year on the basis of economic-technical rates that are consistent with the residual possibilities of use. Within the limits permitted by law, also anticipated depreciations are applied, to take into consideration, among other factors, the natural obsolescence of high-tech assets.

6. Intangible assets

Intangible assets are entered at purchase cost, including pertinent accessory charges; the depreciation of intangible assets is performed directly and in accordance with constant quotas, with regard to the presumed period of use.

Plant, expansion and development costs of multi-annual utility, and also goodwill, are entered under assets and amortized in a period no greater than five years.

7. Other aspects

Payables

Payables are entered at their nominal value increased by the interest that has accrued at the end of the financial year.

Subordinated liabilities are shown at their nominal value.

Forward operations

Forward operations on securities that were under way at the end of the year and that involve the obligation for the seller to resell them at a fixed term, are shown as payables or receivables from third parties; the relative income or costs are entered in the income statement under interest receivable or interest payable.

Accruals and deferrals

These items contain the quotas of costs and/or income that are common to two or more financial years, with the purpose of respecting the pro-tempora competence principle.

The items are expressed after deducting accruals and deferrals that have been calculated under the pertinent items of investment or income.

Employment severance indemnity

The severance indemnity fund is made up to provide full coverage of the liabilities of this title that have matured towards personnel, net of any advances and transfers to supplementary pension funds, as provided for by Decree Law 21/04/93 no.124, in application of the provisions of the law and/or currently valid employment contracts.

Provisions for liabilities and charges:

Pensions fund

The pensions funds existing at the Parent Company, Banca CRV di Vignola and Carispaq are composed of a part designated "defined service", which is evaluated each year by external actuaries, and a second part, designated "defined contribution", which represents the sum of various individual accounts, and which receives payments from personnel, company contributions, and matured interest.

Tax fund

The tax fund represents the provision to cover corporate income tax (IRPEG) and the new regional tax on production (IRAP), on the basis of a prudential forecast of the corresponding amounts payable, both current and deferred, in accordance with the current fiscal regulations and taking into account all applicable exemptions.

In relation to untaxed equity reserves there are no allocations to the fund because in the current situation there is no cause to consider that operations might be effected resulting in the taxation of these provisions.

The measures contained in the provision of the Governor of the Bank of Italy on 3 August 1999, relative to deferred taxation, made it necessary to adopt international accounting principle no.12, which requires the entry into the balance sheet also of prepaid taxes. This has been carried out starting from the financial statements as at 31 December 1999, with specific entries in the income statement and in the balance sheet.

Pre-paid taxes are entered under assets in the year in which they arise if there is a reasonable certainty that they will be recovered in the future, so that they can be subsequently written off when they are effectively recovered.

Other provisions

Other provisions are composed of allocations to cover: losses that may originate from guarantees granted, from other commitments assumed, and from legal proceedings in progress; charges, of certain or probable existence, of which either the amount or the date of pertinence cannot be determined at the time of drawing up of the financial statements.

The foregoing allocations correspond to the best possible estimate of the liabilities indicated, on the basis of the information available at the time of preparation of the consolidated financial statements.

Section 2 – Fiscal adjustments and provisions

Value adjustments executed exclusively in conformity with tax law.

None

Allocations made exclusively in application of tax law.

Allocations of this type, where present in the financial statements of companies consolidated with the integral or proportional method, are written down in the consolidated income statement, showing, at the same time, the relative fiscal effect, which is determined using the indications already present in the Supplementary notes of the individual companies.

Reclassified consolidated Statement of Income as of December 31, 2000 (millions of lire)

	captions	31/12/2000	31/12/1999	Change	Change%
10.	Interest income and similar revenues	1,976,122	1,460,968	515,154	36.26
	<i>including from: loans to customers</i>	1,464,036	1,045,148	418,888	40.08
	<i>debt securities</i>	388,046	352,418	35,628	10.11
20.	Interest expense and similar charges	(919,135)	(655,146)	(263,989)	40.29
	<i>including on: due to customers</i>	(353,869)	(200,011)	(153,858)	76.92
	<i>securities issued</i>	(283,876)	(244,215)	(39,661)	16.24
	Interest margin	1,056,987	805,822	251,165	31.17
30.	Dividends and other revenue:.....	20,296	24,161	(3,865)	-16.00
	(a) from shares, quotas and other forms of capital	3,219	6,819	(3,600)	-52.79
	(b) from equity investments	14,827	14,427	400	2.77
	(c) from investments in group companies	2,250	2,915	(665)	-22.81
	Overall interest margin	1,077,283	829,983	247,300	29.80
40.	Commission income	597,998	489,765	108,233	22.10
50.	Commission expense	(33,397)	(27,648)	(5,749)	20.79
60.	Profits on financial transactions	38,381	(14,532)	52,913	364.11
70.	Other operating income	130,518	109,483	21,035	19.21
	Earning margin	1,810,783	1,387,051	423,732	30.55
80.	Administrative costs:	(964,005)	(835,183)	(128,822)	15.42
	(a) payroll.....	(588,640)	(507,612)	(81,028)	15.96
	<i>including: wages and salaries</i>	(433,606)	(366,330)	(56,276)	15.36
	<i>social security charges</i>	(112,457)	(99,000)	(13,457)	13.59
	<i>termination indemnities</i>	(34,381)	(28,393)	(5,988)	21.09
	<i>pensions and similar commitments</i>	(17,211)	(12,527)	(4,684)	37.39
	(b) other	(375,365)	(327,571)	(47,794)	14.59
	Operating result	846,778	551,868	294,910	53.44
90.	Adjustments to intangible and tangible fixed assets	(113,741)	(102,534)	(11,207)	10.93
100.	Allocation to risks and charges	(11,468)	(9,559)	(1,909)	19.97
110.	Other operating expenses	(10,360)	(7,413)	(2,947)	39.75
	Net result	711,209	432,362	278,847	64.49
120.	Adjustments to loans and provisions for guarantees and commitments	(190,965)	(180,002)	(10,963)	6.09
130.	Writeback of loans and provisions for guarantees and commitments	64,493	40,575	23,918	58.95
150.	Adjustments to long-term investments	(1,849)	(1,703)	(146)	8.57
160.	Writeback of long-term investments	178	1	177	17,700.00
170.	Income from investments carried at equity	11,134	1,867	9,267	496.36
180.	Income from operating activities	594,200	293,100	301,100	102.73
190.	Extraordinary income	35,478	180,498	(145,020)	-80.34
200.	Extraordinary expense	(12,872)	(11,559)	(1,313)	11.36
210.	Extraordinary income	22,606	168,939	(146,333)	-86.62
	Total ordinary and extraordinary income	616,806	462,039	154,767	33.50
230.	Change in reserve for general banking risks	(15,841)	(48,571)	32,730	-67.39
240.	Income taxes	(301,270)	(191,271)	(109,999)	57.51
250.	Third party income	(28,997)	(40,458)	11,461	-28.33
260.	Net income	270,698	181,739	88,959	48.95

Consolidated balance sheet as of December 31, 2000 (Euro in thousands)

Assets		2000	1999
10.	Cash and deposits with central banks and post offices	146,563	101,029
20.	Treasury certificates and similar bills eligible for refinancing with central banks	1,043,842	1,332,240
30.	Due from banks:	2,013,953	1,569,673
	(a) repayable on demand	801,314	722,875
	(b) other deposits	1,212,639	846,798
40.	Loans to customers	13,622,313	10,804,146
	<i>including: loans using public funds</i>	3,706	3,362
50.	Bonds and other debt securities:	2,994,947	2,676,276
	(a) public entities	1,787,695	1,547,143
	(b) banks	661,806	701,203
	including: treasury bonds	62,091	17,691
	(c) financial institutions	370,424	265,607
	(d) other issuers	175,022	162,323
60.	Shares, quotas and other forms of capital	128,144	59,000
70.	Equity investments	223,574	133,151
	(a) carried at equity	30,467	7,409
	(b) other	193,107	125,742
80.	Investments in Group companies	16,719	11,247
	(a) carried at equity	16,719	11,247
90.	Goodwill arising on consolidation	160,557	122,427
100.	Goodwill arising on the application of the equity method	4,794	159
110.	Intangible fixed assets	29,664	27,089
	<i>including: start-up costs</i>	673	1,025
	<i>including: goodwill</i>	3,202	6,594
120.	Tangible fixed assets	415,037	308,804
140.	Treasury stock (par value, Euro 95)	25,019	1,544
150.	Other assets	607,841	756,800
160.	Accrued income and prepaid expenses:	119,738	103,115
	(a) accrued income	111,921	96,535
	(b) prepaid expenses	7,817	6,580
Total assets		21,552,705	18,006,700

guarantees and commitments		2000	1999
10.	Guarantees given	2,551,066	1,993,257
	including: acceptances	35,291	38,823
	other guarantees	2,515,775	1,954,434
20.	Commitments	1,385,755	647,271

Liabilities and stockholders' equity		2000	1999
10.	Due to banks:	2,107,729	2,146,436
	(a) repayable on demand	344,094	608,425
	(b) term deposits	1,763,635	1,538,011
20.	Due to customers:	10,512,702	8,611,861
	(a) repayable on demand	8,089,125	6,897,363
	(b) term deposits	2,423,577	1,714,498
30.	Securities issued:	5,658,049	4,703,668
	(a) bonds	3,035,907	2,104,341
	(b) certificates of deposit	2,498,761	2,553,296
	(c) other	123,381	46,031
40.	Public funds administered	11,658	10,927
50.	Other liabilities	772,631	528,463
60.	Accrued expenses and deferred income:	81,853	59,558
	(a) accrued expenses	66,537	43,427
	(b) deferred income	15,316	16,131
70.	Provision for termination indemnities	149,472	127,696
80.	Provision for risks and charges:	311,383	269,054
	(a) pensions and similar commitments	96,216	107,227
	(b) taxation	166,627	113,164
	(c) other	48,540	48,663
90.	Provisions for loan risks	2,015	2,131
100.	Reserve for general banking risks	77,894	69,713
110.	Subordinated liabilities	323,590	126,778
130.	Negative goodwill arising on application of the equity method.	1,456	1,415
140.	Minority interest (+/-)	380,696	303,054
150.	Capital stock	199,389	85,762
160.	Additional paid-in capital	213,038	326,048
170.	Reserves:	590,331	534,499
	(a) legal reserve	89,464	76,938
	(b) reserve for the purchase of treasury stock	25,019	1,544
	(c) statutory reserve	110,088	84,745
	(d) other reserves	365,760	371,272
180.	Revaluation reserves	19,015	5,777
190.	Income (loss) carried forward	139,804	
200.	Net income		93,860
	Total liabilities and stockholders' equity	21,552,705	18,006,700

Consolidated Statement of Income for the year 2000 (Euro in thousands)

Captions		2000	1999
10.	Interest income and similar revenues	1,020,582	754,528
	<i>including from: loans to customers.....</i>	<i>756,111</i>	<i>539,774</i>
	<i>debt securities</i>	<i>200,409</i>	<i>182,009</i>
20.	Interest expense and similar charges	(474,694)	(338,355)
	<i>including on: due to customers</i>	<i>(182,758)</i>	<i>(103,297)</i>
	<i>securities issued.....</i>	<i>(146,610)</i>	<i>(126,127)</i>
30.	Dividends and other revenue:.....	10,482	12,479
	(a) from shares, quotas and other forms of capital	1,662	3,522
	(b) from equity investments	7,658	7,451
	(c) from investments in group companies	1,162	1,506
40.	Commission income	308,840	252,943
50.	Commission expense	(17,248)	(14,279)
60.	Profits on financial transactions	19,822	(7,505)
70.	Other operating income	67,407	56,543
80.	Administrative costs:	(497,867)	(431,336)
	(a) payroll.....	(304,007)	(262,160)
	<i>including: wages and salaries</i>	<i>(218,258)</i>	<i>(189,194)</i>
	<i>social charges.....</i>	<i>(58,079)</i>	<i>(51,129)</i>
	<i>termination indemnities</i>	<i>(17,756)</i>	<i>(14,664)</i>
	<i>pensions and similar commitments</i>	<i>(8,889)</i>	<i>(6,470)</i>
	(b) other	(193,860)	(169,176)
90.	Adjustments to intangible and tangible fixed assets	(58,742)	(52,954)
100.	Allocation to risks and charges	(5,923)	(4,937)
110.	Other operating expenses	(5,350)	(3,829)
120.	Adjustments to loans and provisions for guarantees and commitments	(98,625)	(92,963)
130.	Writeback of loans and provisions for guarantees and commitments	33,308	20,955
150.	Adjustments to long-term investments	(955)	(880)
160.	Writeback of long-term investments	92	
170.	Income from investments carried at equity	5,750	964
180.	Income from operating activities.....	306,879	151,374
190.	Extraordinary income	18,323	93,219
200.	Extraordinary expense	(6,648)	(5,970)
210.	Extraordinary income (loss).....	11,675	87,249
230.	Change in the reserve for general banking risks	(8,181)	(25,085)
240.	Income taxes	(155,593)	(98,783)
250.	Third party income	(14,976)	(20,895)
260.	Net income	139,804	93,860