



## **Banco Popolare di Verona e Novara Merger and Industrial Plan Approved**

**Novara/Verona, 26 January 2002**

**The Boards of Directors of Banca Popolare di Novara ("BPN") and Banca Popolare di Verona – Banco S. Geminiano e S. Prospero ("BPVR") have unanimously approved the plan to merge the two banks and create the Banco Popolare di Verona e Novara. The Boards have also approved the new Group's industrial plan.**

### **Merger plan**

The Boards of Directors of Banca Popolare di Novara and Banca Popolare di Verona have unanimously approved the planned merger which is expected to result in a perfect merging of the two banks through the creation of a new company, the Banco Popolare di Verona e Novara S.c.r.l. (hereafter referred to as "Banco Popolare"), which will undertake banking operations and, as parent company of the Banco Popolare di Verona e Novara Group (hereafter referred to as the "Group"), manage and coordinate subsidiary companies.

The merger plan provides for the foundation of a new limited company banking institution which shall be known as "Banca Popolare di Novara S.p.A." (hereafter referred to as "Nuova BPN"). At the time of the merger a line of business will be spun off to this company from the existing BPN banking institution, consisting essentially -- when complete -- of the network of branches located principally in its traditional historical area. As a result of information technology compatibility issues, this divestment will initially regard the entire network of BPN branches in addition to related ancillary operations; at a later date, expected to be before 1 January 2003, the merger plan will reach completion following the hiving off to the Banco Popolare parent company of the block of branches outside the historical local area. At full operational capacity, Nuova BPN should have a network of around 400 branches. One of the distinguishing features of this project is that right from the start decisions have been made regarding the Information System and the vast majority of senior managers who will be leading the Group.

In order to achieve the strategic objectives (explained in greater detailed below) a number of Group functions will be concentrated, including Group planning, control and coordination, credit policies, strategic marketing, internal auditing, communication, information technology, back

office, finance, asset management, human resources management and subsidiary management.

Banco Popolare's registered and administrative office will be in Verona. Nuova BPN will be based in Novara, which will also be the location for the Group's technological hub. Subject to issue of the requisite authorisations, Banco Popolare shares will be quoted on the Milan stock exchange, where the security is likely to feature in the MIB 30 index.

The merger of these two banks will lead to the creation of Italy's largest Popular Banking Group and the country's sixth largest banking Group in terms of capitalisation, net profit and principal operating dimensions (total assets, deposits/investments, number of branches), with a prominent position in many business areas. Highlight figures are:

- 1,128 branches overall, of which 87% concentrated in Northern Italy, making it Italy's sixth largest group by distribution network size;
- approximately 3 million customers, predominantly families and SMEs, distributed principally in Northern Italy;
- approximately €32 billion in direct customer deposits and €51 billion in indirect deposits and total investments corresponding to approximately €32 billion;
- approximately €3.5 million in funds in Private Banking;
- approximately €26 billion total assets under management (number eight asset manager).

This operation has, from the start, garnered stock market approval. Since the initial announcement on 13 November 2001 aggregate capitalisation has risen 37.8%, while the Mibtel index rose by 3.14% and the banking industry average registered a 7.77% increase.

In order to maintain the greatest possible focus on the creation of value and on management integration as part of a team approach, a stock option plan is envisaged for top Group managers.

### **Industrial Plan Guidelines**

- Economic and financial projections for the New Group forecast continuing improvement of profitability, with ROE not including extraordinary items up from 9.2% in 2001 to 19.5% in 2005 (corresponding respectively to adjusted ROE rising from 12.2% in 2001 to a forecast 21.7% in 2005). These results are associated with overall improved profitability, up from an estimated aggregate pro forma net profit of €298 million in 2001 to €747 million forecast in 2005, generated by significant growth in commercial productivity (total revenues from banking per employee up from €165,000 to €254,000), and owing to rigid containment of cost structures (cost/income down from 63.1% to 45.1%) plus an improved capital structure (Tier 1 up from €2,773 to €3,521 million). The merger will result in overall synergies, in 2005, worth around €168 million, of which 68% deriving from cost synergies (for a total corresponding to around 8% of the new company's operating costs) and the remaining 32% from revenue synergies.

Specifically:

- cost synergies corresponding to €114 million before tax in 2005, obtained by unifying structures and rationalising operating costs and investments;

- revenue synergies growing over the four-year period to reach €54 million pre-tax in 2005, net of incremental costs to be sustained during implementation, corresponding to €14 million. This increase will come about principally through Retail business revenue growth, worth around €54 million, achieved by: enhancement of the product range, improved exploitation of the customer base, and the realignment of commercial productivity to the highest in-house Group levels. At the same time extra Corporate business revenues of around €14 million are forecast, associated principally with greater penetration of Corporate Finance and Capital Market services among the Group customer portfolio, allied to the leveraging of the best in-house financial skill sets;
- costs associated with the merger process, sustained during the first four years, will amount approximately to a total of between €135 and €165 million, arising predominantly from charges incurred through human resources turnover, investments for integrating IT systems, and the extraordinary assistance required for undertaking these organisational modifications (training, communication and advertising, advisory, etc.).

The New Group will be managed in accordance with prudent capitalisation criteria and in compliance with the requisites of supervision. Group Total Solvency Ratio (TSR) in 2002 shall be 9%, with Tier 1 of 7.0%; in 2003, 10% with Tier 1 of 7.3%. In 2005 the TSR will reach a level of 10% but Tier 1 will reach as high as 7.9%. The level of capitalisation deemed appropriate shall be achieved through coordinated capital management operations which may include:

- the issue of subordinated loans on terms to be defined on the basis of funding needs and market conditions;
- optimisation of the pay-out ratio in accordance with Plan objectives, while maintaining the growth trend in per-share dividends;
- disinvestment from non-strategic interests;
- rationalisation of the New Group's territorial reach;
- new "tranches" of real estate sales

In 2005 Banco Popolare will achieve an efficiency ratio (45.1% cost/income) which very few competitors in Italy or internationally can match today.

Rationalisation of the two banks' structures will be undertaken through Group centralisation of management and the optimisation of distribution network territorial outlets.

Significant economies will be achieved from service and support operations through:

- unification of IT systems;
- management structure rationalisation;
- attainment of critical mass cost synergies (for instance by setting up a Group provisioning centre);
- concentration of leasing and asset management production units;
- sharing Group management best practice, improving the productive efficiency of internal resources and the managerial efficiency of external contractors.

Planned efficiency gains will make it possible to free up resources, of which a significant portion will be refocused on commercial operations in support of the Group's ambitious planned growth.

#### Banco Popolare Governance

The Banco Popolare Board will consist of 20 Directors. The Board of Auditors will consist of 5 auditors (Appendix A).

#### Banco Popolare Senior Management

Managers have been appointed for many of the principal roles in the new Group (Appendix B).

#### Financial Terms

The results of accounting due diligence conducted by the auditors Reconta Ernst & Young on BPVR and Arthur Andersen on BPN, and of legal due diligence performed by Grimaldi Clifford Chance on BPVR and by Pedersoli Lombardi & Associati and Mercanti-Caffi on BPN, do not require any review of the operation's financial terms and conditions.

In addition, as decided in the protocol of agreement, there has been a revision of the exchange ratios and of the overall extraordinary distribution of reserves by BPN in exchange for the partial exercise of "Banca Popolare 2001 Warrants". The Boards of Directors have subsequently approved the following financial terms for implementation of the merger: i) the prior distribution by BPN of the share-premium reserves to the current BPN shareholders at the rate of €1.72 per BPN share up to a total maximum of €494 million; ii) share swap ratios set at 1 Banco Popolare di Verona e Novara share per BPVR share and 0.48 Banco Popolare shares per BPN share.

#### Merger timetable

These are the key dates in the merger plan:

9 March 2002:	Ordinary shareholders' meeting to approve distribution of share-premium reserves; BPVR and BPN extraordinary shareholders' meeting to approve merger and Banco Popolare constituting act;
by end of May 2002:	Distribution of BPN share-premium reserves; merger execution;
June 2002:	Banco Popolare shares start trading.

The merger is subject to authorisation by the Bank of Italy and by other regulatory bodies.

Financial advisors for the merger: Mediobanca (BPN) and Morgan Stanley (BPVR). Industrial advisors for preparation of the Industrial Plan and synergies estimate: McKinsey.

Appendices: BPN and BPVR third quarter 2001 balance sheet and income statement highlights.

## Appendix A – Company organs

### BOARD OF DIRECTORS

The Banco Popolare Board of Directors will consist of the following 20 members:

- Alberto Bauli
- Gian Carlo Bellentani
- Marco Boroli
- Pietro Buzzi
- Maurizio Comoli
- Ugo Della Bella
- Giuseppe Fedrigoni
- Carlo Fratta Pasini
- Federico Guasti
- Fabio Innocenzi
- Siro Lombardini
- Sergio Loropiana
- Aldo Marchi
- Maurizio Marino
- Giuseppe Nicolò
- Francesco Pasti
- Claudio Rangoni Machiavelli
- Luigi Righetti
- Gian Carlo Vezzalini
- Franco Zanetta

Pursuant to statutory legislation with regard to the appointment of company officers and the attribution of associated powers, until the cessation of his role as a Director, Carlo Fratta Pasini takes on the position of Chairman of the Board of Directors, Siro Lombardini that of Vicarious Vice President and Fabio Innocenzi that of CEO.

Piero Montani is appointed General Manager.

## **BOARD OF AUDITORS**

The first Board of Auditors shall be composed of the following 5 standing auditors and 2 substitute auditors:

- Giuliano Buffelli (standing auditor)
- Maurizio Calderini (standing auditor)
- Flavio Dezzani (standing auditor)
- Carlo Gaiani (standing auditor)
- Giovanni Tantini (standing auditor)
- Bruno Anti (substitute auditor)
- Emilio Rossi (substitute auditor)

Flavio Dezzani shall for the first three years take on the role of Chairman of the Board of Auditors.

## **BOARD OF ARBITRATORS**

The Board of Arbitrators is composed of the following three standing members and two substitutes chosen from among the shareholders:

- Marco Cicogna (standing member)
- Luciano Codini (standing member)
- Sergio Mancini (standing member)
- Aldo Bulgarelli (substitute member)
- Vittorio Cocito (substitute member)

Appointments to the Board of Arbitrators last three years.

External auditors: Auditors Arthur Andersen S.p.A., registered in Bologna, P.zza Malpighi 4/2, have been hired for auditing of the accounts for the financial years 2002-2003-2004 regarding certification of the annual accounts of Banco Popolare and its consolidated companies, in addition to limited auditing of the accounts in the first-half report and verification of the conduction of regular bookkeeping practices.

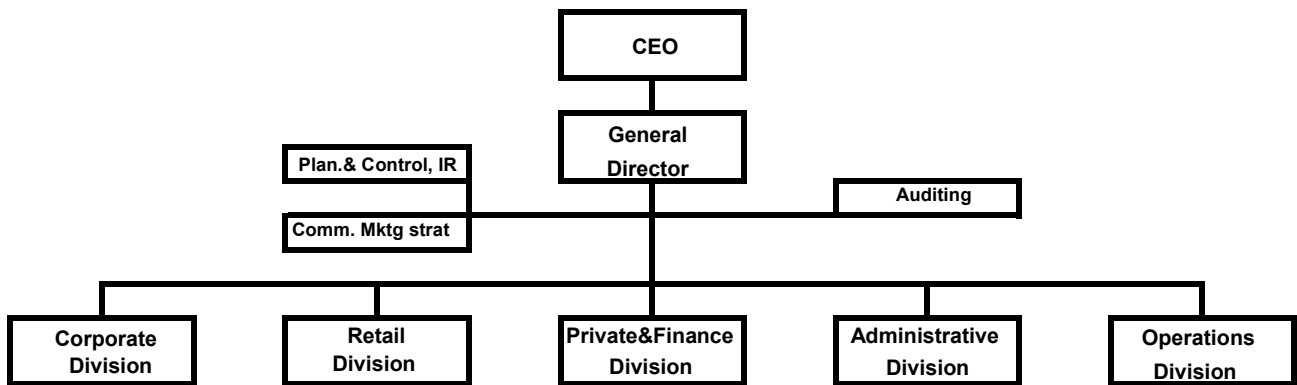
## **APPENDIX B**

### **GROUP MANAGEMENT POSITIONS**

Faenza (BPN)	Head of Corporate Division	
	Simeoni (BPV)	Banco Popolare Corporate
	Iori (BPV)	Group Leasing
	Modonesi (BPV)	Group Merchant
Carrus (BPV)	Head of Retail Division	
		Retail Products, Operational Marketing and Direct
	Giuliani (BPN)	Bank
	Riccadonna (BPV)	Banco Popolare Retail
Faroni (BPV)	Head of Private Banking and Finance Division	
	Caniato (BPN)	Finance
	Tosti (BPV)	Asset Management
	Zancanaro (BPV)	Private Banking
Malerbi (BPN)	Head of Administrative Division	
	Cambriani (BPN)	Credit
	Gobetti (BPN)	Participating Interests and General Secretary
	Rossi (BPV)	Legal and Litigation
	Val (BPV)	Administration and Fiscal Affairs
Rigodanza (BPV)	Head of Operations Division	
	Papa (BPN)	CEO SGS (IT and Group Services)
	Papili (BPV)	General Manager SGS
	Gardella (BPN)	Group Acquisitions
	Togni (BPV)	Group Organization
De Angelis (BPN)	General Manager Nuova Banca Popolare di Novara	
	Di Maio (BPV)	Vice Co-General Manager Nuova Banca Popolare di Novara
	Santi (BPN)	Resp. for integration, planning, mgm. contr., risk mgm. and investor rel. Novara

Franceschini (BPV)	Resp. for integration, planning, mgm. contr., risk mgm. and investor rel. Verona
Ranieri (BPN)	Head of Group Auditing
Ferro (BPV)	Head of Group Communication and Strategic Marketing

#### New Group Structure





# BANCA POPOLARE DI NOVARA

## Balance Sheet in euros

Assets		
	30/09/2001	31/12/2000
<b>10. Cash and funds with central banks</b>		
<b>And post offices</b>	<b>127,725,134</b>	<b>123,741,152</b>
<b>20. Treasury bills and other bills eligible</b>		
<b>for refinancing with central banks</b>	<b>1,074,381,894</b>	<b>1,176,001,985</b>
<b>30. Due from banks</b>	<b>3,292,963,617</b>	<b>3,667,845,530</b>
a) Sight	770,334,899	573,520,189
b) Other	2,522,628,718	3,094,325,341
<b>40. Due from customers</b>	<b>12,385,524,729</b>	<b>12,318,970,548</b>
of which:		
• third party securities under administration	4,769,391	5,388,264
<b>50. Bonds and other debt securities:</b>	<b>1,896,064,488</b>	<b>1,763,454,362</b>
a) government securities	197,530,271	234,935,911
b) Banks	1,073,335,454	923,129,909
of which:		
• own securities	9,863,865	57,963,120
c) financial institutions	112,017,291	175,574,434
d) other issuers	513,181,472	429,814,108
<b>60. Shares, units and other equity securities</b>	<b>1,253,215</b>	<b>3,536,889</b>
<b>70. Equity investments</b>	<b>175,023,582</b>	<b>164,325,924</b>
a) valued at shareholders' equity	63,456,853	53,414,824
b) other	111,566,729	110,911,100
<b>80. Equity investments in Group companies</b>	<b>206,996,341</b>	<b>206,398,900</b>
a) valued at shareholders' equity	11,860,320	11,860,320
b) other	195,136,021	194,538,580
<b>90. Intangible fixed assets</b>	<b>66,073,192</b>	<b>72,947,522</b>
of which:		
• goodwill	20,288,157	24,970,040
<b>100. Tangible fixed assets</b>	<b>182,734,916</b>	<b>190,443,594</b>

<b>120. Own shares</b>	<b>216,124</b>	<b>-</b>
(par value ITL. 177,500,000 at 30 Sep. 2001)		
(par value ITL. 0 at 30 Sep. 2000)		
<b>130. Other assets</b>	<b>692,509,715</b>	<b>812,293,443</b>
<b>140. Accrued income and prepaid expenses:</b>	<b>270,025,059</b>	<b>232,667,869</b>
a) accrued income	258,932,322	223,434,036
b) prepaid expenses	11,092,737	9,233,833
of which		
• securities issue premium	61,023	142,288
<b>Total assets</b>	<b>20,371,492,006</b>	<b>20,732,627,718</b>

## BANCA POPOLARE DI NOVARA

Liabilities		
	30/09/2001	31/12/2000
<b>10. Due to banks</b>	<b>2,843,180,906</b>	<b>4,453,219,222</b>
a) Sight	624,894,008	377,509,398
b) forward or with notice	2,218,286,898	4,075,709,824
<b>20. Due to customers</b>	<b>9,375,427,575</b>	<b>8,104,815,813</b>
a) Sight	7,471,728,140	6,374,317,062
b) forward or with notice	1,903,699,435	1,730,498,751
<b>30. Debt instruments</b>	<b>5,290,719,917</b>	<b>5,349,200,317</b>
a) Bonds	3,969,659,879	3,934,974,167
b) certificates of deposit	1,250,933,423	1,273,184,454
c) Other	70,126,615	141,041,696
<b>40. Third party assets under administration</b>	<b>5,143,809</b>	<b>5,642,590</b>
<b>50. Other liabilities</b>	<b>507,779,579</b>	<b>584,112,925</b>
<b>60. Deferred income and accrued expenses:</b>	<b>322,795,262</b>	<b>240,595,506</b>
a) deferred income	298,020,180	223,532,477
b) accrued expenses	24,775,082	17,063,029
<b>70. Severance pay indemnity</b>	<b>200,219,192</b>	<b>201,142,547</b>
<b>80. Provisions for risks and charges:</b>	<b>165,729,848</b>	<b>174,291,344</b>
allocation to retirement fund and similar		
a) obligations	-	-
b) tax provisions	77,418,880	91,630,769
c) other provisions	88,310,968	82,660,575
<b>90. Loan-loss reserves</b>	<b>-</b>	<b>-</b>
<b>100. Allowance for general banking risks</b>	<b>5,164,569</b>	<b>5,164,569</b>
<b>110. Subordinated debt</b>	<b>148,669,705</b>	<b>304,426,222</b>
<b>120. Share capital</b>	<b>679,936,076</b>	<b>618,392,102</b>
<b>130. Share premium</b>	<b>574,479,391</b>	<b>512,229,434</b>
<b>140. Reserves</b>	<b>177,816,136</b>	<b>169,671,726</b>
a) legal reserve	87,533,550	86,667,123

b) own share reserve	216,124	-
c) statutory reserves	64,838,327	57,776,468
d) other reserves	25,228,135	25,228,135
<b>150. Revaluation reserves</b>	<b>1,059,134</b>	<b>1,059,134</b>
<b>170. Net income for the period</b>	<b>73,370,907</b>	<b>8,664,267</b>
<b>Total liabilities</b>	<b>20,371,492,006</b>	<b>20,732,627,718</b>

<b>Guarantees and commitments in euros</b>		
	<b>30/09/2001</b>	<b>31/12/2000</b>
<b>10. Guarantees given</b>	<b>779,171,655</b>	<b>776,829,342</b>
of which:		
• acceptances	22,896,568	21,343,878
• other guarantees	756,275,087	755,485,464
<b>20. Commitments</b>	<b>2,263,190,997</b>	<b>2,226,147,315</b>

## BANCA POPOLARE DI NOVARA

Income statement in euros		
	30/09/2001	31/12/2000
<b>10. Interest income and similar revenues</b>	<b>875,386,536</b>	<b>1,119,786,863</b>
of which:		
• due from customers	602,727,144	715,763,466
• debt instruments	112,307,933	173,088,082
<b>20. Interest expense and similar charges</b>	<b>494,098,644</b>	<b>689,940,820</b>
of which:		
• due to customers	162,144,178	169,281,967
• debt instruments	167,472,410	219,828,765
<b>30. Dividends and other revenues:</b>	<b>12,882,226</b>	<b>15,687,273</b>
a) on shares, units and other equity securities	66,986	6,175
b) on equity investments	3,944,360	2,537,311
c) on equity investments in Group companies	8,870,880	13,143,787
<b>40. Commission income</b>	<b>193,097,701</b>	<b>279,637,895</b>
<b>50. Commission expense</b>	<b>13,994,937</b>	<b>23,451,621</b>
<b>60. Profits/Losses from financial transactions</b>	<b>12,336,733</b>	<b>12,327,511</b>
<b>70. Other operating income</b>	<b>56,110,970</b>	<b>66,330,337</b>
<b>80. Administrative expenses:</b>	<b>402,014,661</b>	<b>577,038,197</b>
a) personnel costs	265,847,085	386,380,174
of which:		
• salaries and wages	189,783,341	278,040,696
• social security charges	60,316,158	84,873,179
• severance pay indemnity	14,946,865	22,360,650
• retirement fund and similar	800,721	1,105,649
b) other administrative costs	136,167,576	190,658,023
<b>90. Depreciation and amortisation on tangible and intangible assets</b>	<b>33,871,035</b>	<b>53,941,361</b>
<b>100. Provisions for risks and charges</b>	<b>4,838,565</b>	<b>26,346,614</b>
<b>110. Other operating expenses</b>	<b>3,033,869</b>	<b>3,617,947</b>

120. Write-downs on loans and provisions for guarantees and commitments	90,803,685	311,067,622
130. Write-backs on loans and provisions for guarantees and commitments	26,834,884	20,507,168
140. Provisions for risks and charges	-	-
150. Write-downs on financial fixed assets	1,619,313	11,781,839
160. Revaluations of financial fixed assets	260,561	2,002,265
170. Profit/Loss on ordinary operations	132,634,902	-180,906,709
180. Extraordinary income	9,302,961	251,260,799
190. Extraordinary expenses	4,546,725	49,055,899
200. Net extraordinary result	4,756,236	202,204,900
210. Change to general banking risks reserve	0	0
220. Income tax	64,020,231	12,633,924
230. Net income for period	73,370,907	8,664,267

## BANCA POPOLARE DI VERONA – Parent Bank

BALANCE SHEET - ASSETS (in EURO)		30-09-01
10	CASH AND FUNDS WITH CENTRAL BANKS AND POST OFFICES	70,152,639
20	TREASURY BILLS AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	1,269,073,779
30	DUE FROM BANKS:	4,389,075,361
	a) sight	227,892,990
	b) other	4,161,182,371
40	DUE FROM CUSTOMERS <i>of which:</i> - <i>third party securities under administration</i>	13,024,933,289  2,819,249
50	BONDS AND OTHER DEBT SECURITIES:	509,258,898
	a) government securities	131,032,032
	b) bank securities	254,163,559
	<i>of which:</i> - <i>own securities</i>	41,139,729
	c) from financial institutions	52,347,262
	d) other securities	71,716,045
60	SHARES, UNITS AND OTHER EQUITY SECURITIES	13,486,769
70	EQUITY INVESTMENTS	121,127,652
80	EQUITY INVESTMENTS IN GROUP COMPANIES	1,211,559,964
90	INTANGIBLE FIXED ASSETS <i>of which:</i>	135,554,980

	- leasehold property and improvements	8,298,920
	- goodwill	116,459,661
<b>100</b>	<b>TANGIBLE FIXED ASSETS</b>	<b>237,830,626</b>
<b>120</b>	<b>OWN SHARES</b> (par value: €318,137.45)	<b>7,508,283</b>
<b>130</b>	<b>OTHER ASSETS</b>	<b>528,303,053</b>
<b>140</b>	<b>ACCRUED INCOME AND PREPAID EXPENSES:</b>	<b>284,712,058</b>
	a) accrued income	279,436,450
	b) pre-paid expenses	5,275,608
<b>TOTAL ASSETS</b>		<b>21,802,577,350</b>

<b>BALANCE SHEET - LIABILITIES</b> <i>(in EURO)</i>		<b>30-09-01</b>
<b>10</b>	<b>DUE TO BANKS:</b>	<b>5,660,716,885</b>
	a) sight	1,136,323,199
	b) forward or with notice	4,524,393,686
<b>20</b>	<b>DUE TO CUSTOMERS:</b>	<b>7,533,384,941</b>
	a) sight	5,206,456,992
	b) forward or with notice	2,326,927,949
<b>30</b>	<b>DEBT INSTRUMENTS:</b>	<b>5,025,981,118</b>
	a) bonds	3,733,375,661
	b) certificates of deposit	1,232,418,567
	c) other	60,186,890
<b>40</b>	<b>THIRD PARTY ASSETS UNDER ADMINISTRATION</b>	<b>3,871,465</b>
<b>50</b>	<b>OTHER LIABILITIES</b>	<b>467,988,878</b>



<b>60</b>	DEFERRED INCOME AND ACCRUED EXPENSES:	<b>174,596,793</b>
	a) deferred income	161,291,695
	b) accrued expenses	13,305,098
<b>70</b>	SEVERANCE PAY INDEMNITY	<b>93,795,525</b>
<b>80</b>	PROVISIONS FOR RISKS AND CHARGES:	<b>156,086,114</b>
	a) retirement fund and similar obligations	12,677,128
	b) tax provisions	94,698,441
	c) other provisions	48,710,545
<b>90</b>	LOAN-LOSS RESERVES	<b>100,191,164</b>
<b>100</b>	ALLOWANCE FOR GENERAL BANKING RISKS	<b>52,066,582</b>
<b>110</b>	SUBORDINATED DEBT	<b>765,849,141</b>
<b>150</b>	SHARE CAPITAL	<b>604,484,754</b>
<b>160</b>	SHARE PREMIUM	<b>8,662,551</b>
<b>170</b>	RESERVES:	<b>938,532,888</b>
	a) legal reserve	143,029,645
	b) reserve for own shares or capital shares	51,645,690
	c) statutory reserves	373,890,468
	d) other reserves	369,967,085
<b>180</b>	REVALUATION RESERVES	<b>84,090,647</b>
<b>200</b>	PROFIT FOR THE PERIOD	<b>132,277,905</b>
<b>TOTAL LIABILITIES</b>		<b>21,802,577,350</b>

## BANCA POPOLARE DI VERONA – Parent Bank

BALANCE SHEET – GUARANTEES AND COMMITMENTS (in EURO) 30-09-01		
10	GUARANTEES GIVEN	1,961,779,711
	<i>of which:</i>	
	- acceptances	43,093,818
	- other guarantees	1,918,685,893
20	COMMITMENTS	438,372,231

INCOME STATEMENT (in EURO) 30-09-01		
10	INTEREST INCOME AND SIMILAR REVENUES	849,343,502
	<i>of which:</i>	
	- due from customers	604,575,877
	- debt instruments	75,774,003
20	INTEREST EXPENSE AND SIMILAR CHARGES	-505,994,061
	<i>of which:</i>	
	- due to customers	-135,438,699
	- debt instruments	-166,218,319
30	DIVIDENDS AND OTHER REVENUES:	53,795,933
	a) on shares, units and other equity securities	310,378
	b) on equity investments	5,409,227
	c) on equity investments in Group companies	48,076,328
40	COMMISSION INCOME	235,387,276
50	COMMISSION EXPENSE	-14,101,293
60	PROFITS FROM FINANCIAL TRANSACTIONS	12,974,291
70	OTHER OPERATING INCOME	49,965,595
80	ADMINISTRATIVE	-350,802,210

	EXPENSES:	
	a) personnel costs	-185,594,320
	<i>of which:</i>	
	- wages and salaries	-122,161,271
	- Social Security charges	-35,635,929
	- severance pay indemnity	-11,920,857
	- retirement fund and similar	-8,220,446
	b) other administrative costs	-165,207,890
90	DEPRECIATION AND AMORTISATION OF INTANGIBLE AND INTANGIBLE ASSETS	-43,440,512
100	PROVISIONS FOR RISKS AND CHARGES	-2,957,841
110	OTHER OPERATING EXPENSES	-1,174,458
120	WRITE-DOWNS ON LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	-26,453,106
130	WRITE-BACKS ON LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	5,773,682
140	APPROPRIAT. TO PROV. FOR RISKS AND CHARGES	-34,679,341
150	WRITE-DOWNS ON INVESTMENT SECURITIES	-
170	<b>INCOME FROM ORDINARY OPERATIONS</b>	<b>227,637,459</b>
180	EXTRAORDINARY INCOME	7,390,429
190	EXTRAORDINARY EXPENSES	-3,919,773

<b>200</b>	<b>NET EXTRAORDINARY RESULT</b>	<b>3,470,656</b>
<b>220</b>	<b>INCOME TAXES</b>	<b>-98,830,211</b>
<b>230</b>	<b>NET INCOME FOR THE PERIOD</b>	<b>132,277,905</b>