

Annual Report 2001



Raiffeisen Landesbank Südtirol AG

Raiffeisen Landesbank Südtirol AG
Cassa Centrale Raiffeisen dell'Alto Adige S.p.A.

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Rating A- by Standard & Poor's

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Foreign Trade Bank

S.W.I.F.T.-Code: RZSB IT 2B
Bank Code no.: 3493 11600
Tax, VAT and Commercial Register no.: 00194450219

Register of
Credit Institutes no.: 3493/4

Share Capital 51,650,000.00 Euro paid in full
Commercial Register Bozen – Bolzano

Raiffeisen Landesbank Südtirol AG – Cassa Centrale Raiffeisen dell'Alto Adige SpA is affiliated to the Italian Deposit Insurance Fund of the Cooperative Banks (Fondo di Garanzia dei Depositanti del Credito Cooperativo) and Garanzia) according to article 62 LD no. 415/96.

Central bank of the 52 South Tyrolian Raiffeisenkassen with 194 outlets

IMPRINT

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Photographs: Archive – RLB*

*RLB = Raiffeisen Landesbank Südtirol AG
Cassa Centrale Raiffeisen dell'Alto Adige S.p.A.



Our Basic Principles

The RLB, as the central bank of the South Tyrolian Raiffeisenkassen, serves to support and expand the economic activities of the latter.

The RLB follows the subsidiarity principle and helps the combine of independent banks to form a stronger and tighter group.

With its continuous market presence, the RLB has the specific task of planning, developing and providing financial services and coordinating their distribution on its own behalf and that of the whole Raiffeisen Finance Organisation.

The RLB conducts the primary business in order to maintain its market presence and to enlarge its income base. Customers of the Raiffeisenkassen can thus be jointly served in the combine and the movement of customers to competitors is avoided.

As the central bank of the South Tyrolian Raiffeisenkassen, the RLB safeguards the economic interests of the latter at both a national and international level.

The RLB makes strategic investments which maintain and strengthen the market position of the Raiffeisenkassen as providers of financial products.

The cooperation between the Board of Directors, the executive and the employees of the RLB aims at achieving clearly defined objectives and boosting performance.

Income generation provides the impetus behind the direction of the institute.

The consultancy, development and support work of the RLB for the Raiffeisenkassen is cost-oriented according to economic principles.

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Regular Plenary Meeting of the RLB in Second Convocation

**On 29th of May 2002 at 10:00am Raiffeisenhaus in
Bozen**

Agenda

1. Presentation of the Board of Directors' Management Report, the Balance Sheet to the 31st of December of 2001, the Supervisory Board's Annual Report and related resolutions
2. Any other business (AOB)

First Overview

Comparison of some Key Figures of the RLB's Balance Sheet in the last two Financial Years 2000 and 2001 (figures in thousand Euro).

Statement of Assets and Liabilities	2001	2000	Var. %
Total Assets	1,060,058	888,314	+ 19.33
thereof Due from Banks	289,798	329,637	- 12.09
thereof Due from Customers	363,140	312,897	+ 16.06
Total Equity and Liabilities	1,060,058	888,314	+ 19.33
thereof Due to Banks	616,261	535,588	+ 15.06
thereof Due to Customers	296,846	218,677	+ 35.75
thereof Own Assets (+)	72,720	70,367	+ 3.34

Profit- and Loss Account	2001	2000	Var. %
Gross Interest Margin	9,027	10,398	- 13.18
Extended Gross Earnings	22,058	21,286	+ 3.63
Operating Income before Provisions	7,590	6,212	+ 22.17
Net Profit	3,024	1,972	+ 53.39

Some Important Ratios	2001	2000	Var. %
Number of Employees	145	145	0.00
Cash Flow	10,413	8,852	+ 17.65
Cash Flow per Employee	72	61	+ 17.65
Own Assets/Assets (*)	6.86%	7.92%	- 1.06
Operating Income before Provisions/Assets (ROI)	0.72%	0.70%	+ 0.02
Net Profit/Own Assets (ROE) (*)	4.23%	2.86%	+ 1.36
Net Profit/Assets (ROA)	0.29%	0.22%	+ 0.06
Cash Flow/Balance Sheet Total	0.98%	1.00%	- 0.01
Cash Flow/Own Assets (*)	14.56%	12.85%	+ 1.70
Cost-/Income-Rate	0.86%	0.87%	- 0.01

(*) Own Assets as average of 2000 und 2001 figures

(+) Disposition Fund of the Board of Directors not included

Company Board Members

Board of Directors

Dr. Michael Grüner
President

Dr. Sepp Kiem
1. Vice President

Heinrich Renzler
2. Vice President

Dr. Walter Dallemulle
Karl Innerhofer
Paul Pezzei
Rag. Josef Senn

Supervisory Board

Dr. Karl Florian
President

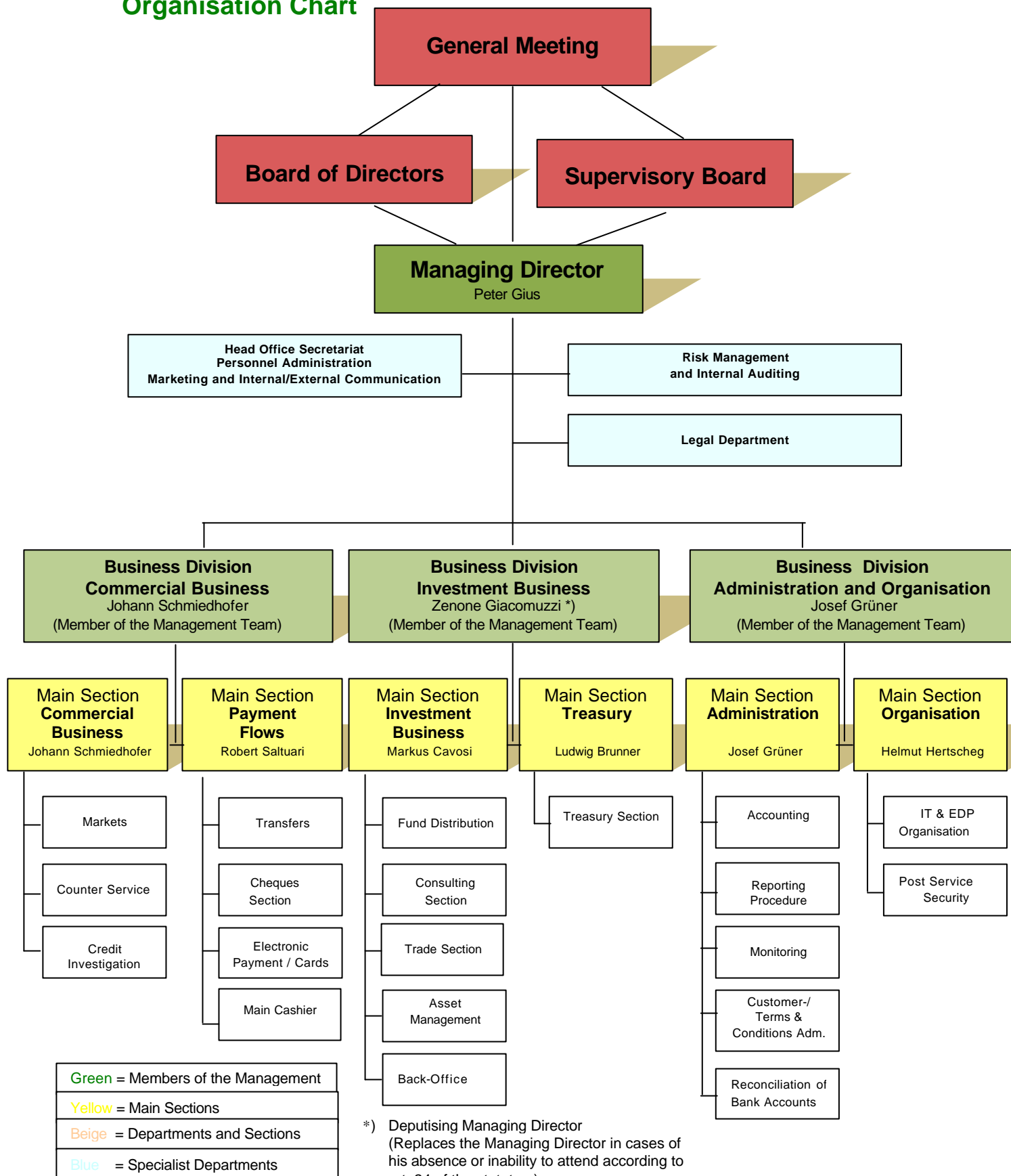
David-Anton Kofler
Acting Member

Rag. Heinrich Eisendle
Acting Member

Dr. Hansjörg Verdorfer
Deputy Member

Rag. Walter Seidner
Deputy Member

Organisation Chart



Board of Directors' Management Report

Dear Shareholders,

The Board of Directors is pleased to fulfil its obligation to give you an overview of the results achieved by the RLB in the financial year 2001. Before explaining the balance sheet results in more detail, we would like to go into the basic economic and monetary conditions which influenced our activity in the previous financial year.

International Environment

World Economy

In 2001, all economic sectors worldwide showed a sharp setback in their business activity. This global downturn was particularly marked in the second half of the year.

Furthermore, due to the terrorist attacks of September 11 in the USA, American Gross National Product (GNP) dropped (-1.3% in the 3rd trimester) for the first time since 1991.

The precarious economic situation in the USA resulted in a worldwide slowdown. The direct and indirect repercussions on production and employment as well as the uncertainty of consumers and investors resulted in a strong braking action for the other developed countries. Thus the sharp setback in business activity in these states, already apparent in the course of the year, accelerated globally in a synchronous fashion.

Japan

Japan, which due to serious structural problems had already experienced a tough recession, was particularly hard hit. Japanese Gross Domestic Product (GDP) dropped about half of



a percentage point. The structural reforms implemented and programmes for stimulating economic activity could not propel the Japanese economy forward by year-end.

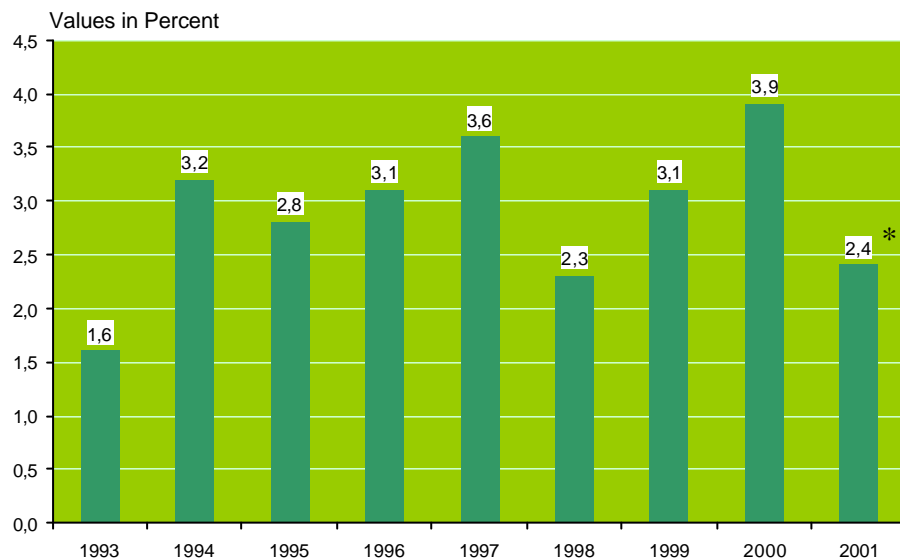
Developing Countries

Emerging nations showed an overall expansion of about 4% ¹ worldwide. The decrease in economic activity was particularly notable in many of the Asian developing countries, which were struck by the collapse in IT-related demand. Elsewhere, Latin American countries also suffered significant slowdowns, partly due to the downturn in the USA and partly – as in the case of crisis-ridden Argentina – due to home-made problems. The slowdown in economic activity amongst Eastern European countries was comparatively small. There were only a few countries worldwide which showed a dynamic economic growth in the year 2001. These tended to be the countries around China, notably the oil exporting countries in the Middle East and the Commonwealth of Independent States (GUS) and above all Russia.

¹ Source: ABI „Evoluzione dei mercati finanziari e creditizi nel 2001”, February 2002

World Economic Growth

Variation of Real Gross Domestic Product (GDP)



* Prognosis of IWF, Source: Deutsche Bundesbank, November Report

The panel of the International Monetary Fund downgraded their GDP-prognosis for the world economy several times in the course of 2001, ultimately to one of the lowest growth rates of last year: 2.4% ². For the OECD-countries the GDP-estimation amounted to about 1% (4% in the year 2000) ³. The extremely weak world economy also affected the development of world trade: After an increase of 12.5% in the year 2000 ⁴, with an increase of only 1% ⁵, it almost came to a rest in the past year. There were however prospects of an upturn in the course of the year 2002.

², ⁴, ⁵ November values of the IWF, Source: Deutsche Bundesbank, November Report

USA

The US economy, already hovering between stagnation and recession at midyear, was placed under very heavy strain by the terrorist acts of 11th September 2001.

After an initial period where the equity dropped and oil prices shot up, it was above all mass redundancies which unhinged the cornerstone of the American economy, namely private consumption. This triggered a drastic slump in business activity. In spite of immediate responses in the

form of repeated interest rate reductions by the American Central Bank (from year beginning, the key lending rates were lowered eleven times – from 6.5% in December 2000 to 1.75 % ⁶ – the lowest level for 40 years), corded help packages and tax reductions by the government worth billions, the expected acceleration in demand could not be brought about. The US economic climate was and remained clouded: macro-economic data and economic indicators did not indicate a clear turning point by the end of the year. At best they pointed to a stabilisation of the economic situation.

³, ⁶ Source: ABI „Evoluzione dei mercati finanziari e creditizi nel 2001”, February 2002

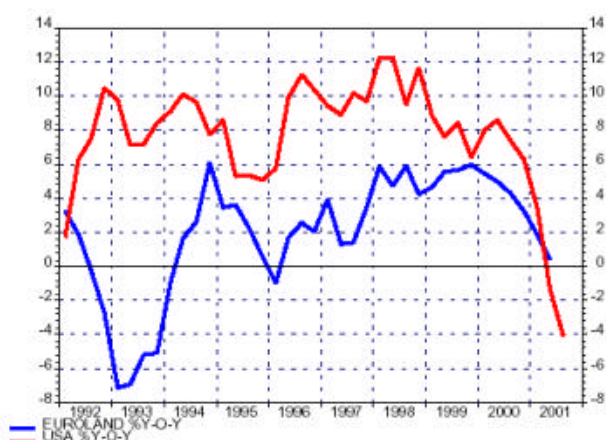
European Union/Euro Area

The year 2001 also proved difficult for the European economy. Thanks to good domestic demand, the Euro Area was initially able to defy the worldwide economic downturn.

In the 2nd quarter, the Euro region was unable to continue to defy the worldwide trend and the negative results reached a peak in the aftermath of the terror attacks in the USA. Exports recorded a sharp drop in growth, which decreased from

11.9% in the year 2000 to 3.5 – 4% ⁷ in the year 2001. Production stagnated and the investment climate became increasingly gloomy.

Synchronous Decline of Private Investments in the Eurozone and in the USA

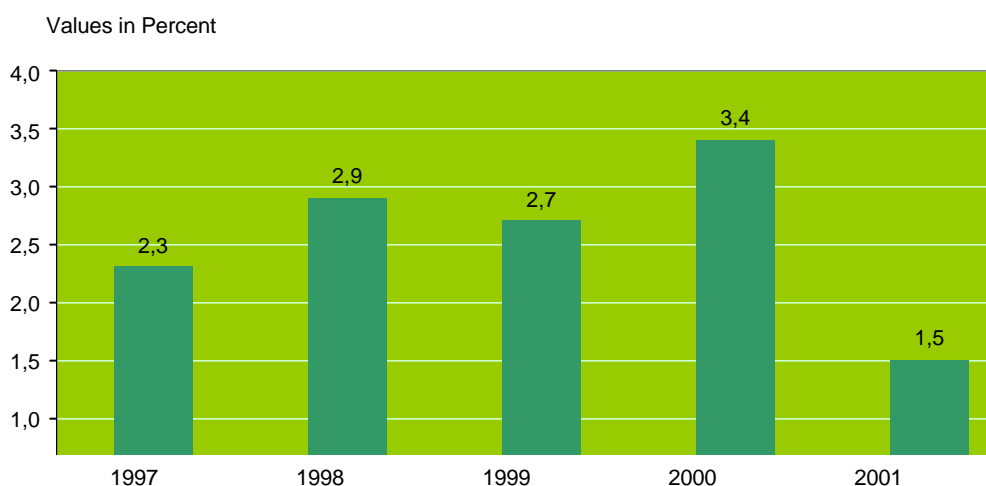


(Source: Vontobel Asset Management)

⁷ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

Correspondingly, the growth forecasts for all large national economies in the Euro Area had to be revised downwards several times in the course of the year 2001. The Gross Domestic Product (GDP) of the Euro currency area amounted to about 1.5% in the reporting year ⁸

World Economic Growth in the Euro Area Variation of Real Gross Domestic Product (GDP)



Source: ECB

which was conspicuously lower than the figure of the previous year (3.4%). Within the European Union, the downturn in business activity produced varying results depending on how each country related to the world economy and on a variety of structural factors. The sharpest setback in business activity was recorded by export-dependent Germany – once the European growth engine par excellence (GIP 2001: 0.5% - 0.7% ⁹). In contrast, macroeconomic production in Great Britain, France, Italy and Spain showed a considerable expansion.

⁸ Forecasts by national and international institutes assume a value between 1.3% and 1.7%, Source: ECB; report of December

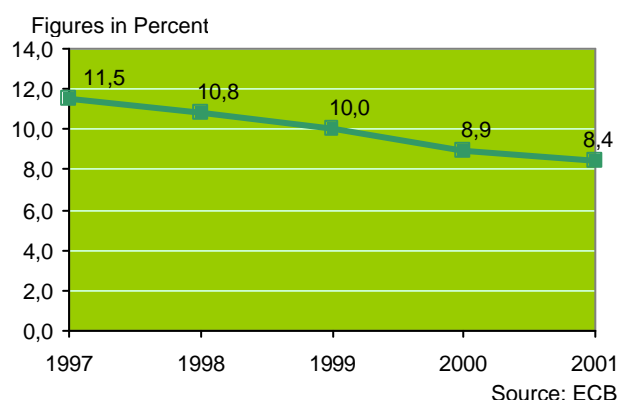
⁹ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

Whereas unemployment figures regressed in recent years, those of the year 2001 showed a stagnating trend: In October, the unemployment rate stood at 8.4% ¹⁰ in the Eurozone and at 7.7% ¹¹ in the Euro Area.

Developments in consumer prices were more positive as increases noticeably flattened in the second half-year due to the easing of tension in energy markets: Inflation rates increased from 2.3 to 2.7% in the course of the year. ¹²

In the last year, financial policy was an area in which conflicting forces and risks bore their influence. The unstable economic situation and stagnating consumption brought about a decrease in tax income. Spending was additionally hampered by spending on internal security, which resulted in a deterioration of budgetary position and an increase in deficits for most countries.

Development of the Unemployment Rate in the Euro Area

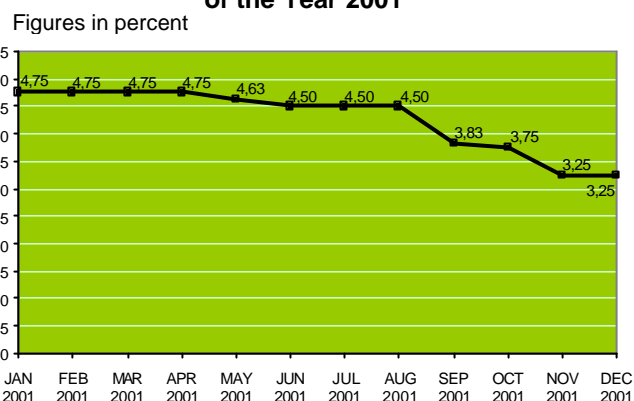


¹⁰, ¹¹ Figures October 2001, Source: Federal Ministry for the Economy

¹² Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

As a result, national investment had to be reduced and economic stimulation programs offering short-term support for economic activity had to be curbed. The stability pact, which the 12 EU-countries are obliged to uphold and

Development of Discount Rates in the Course of the Year 2001



Source: ECB

which allows for an annual level of new debt of not more than 3% of Gross Domestic Product (GDP), will also only permit a restricted business cycle policy in the future.

was a loud call for action with regard to monetary policy. Clear signals came from the European Central Bank (ECB), which, starting with higher-level objective of price stability, placed its Monetary Policy firmly under the flag of economic stabilisation and growth-stimulating impulses. In the year 2001, key lending rates were lowered in four steps from 4.75% to 3.25% ¹³, in so doing reaching a historic low.

In the course of the year 2001, the interest rates of the money market in the Euro area showed a falling trend: In December 2001, the 3months-Euribor amounted to 3.34%, which is about one percentage point under the previous year-end value (4.26%) ¹⁴.

¹³ Source: ECB, Report of December

¹⁴ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

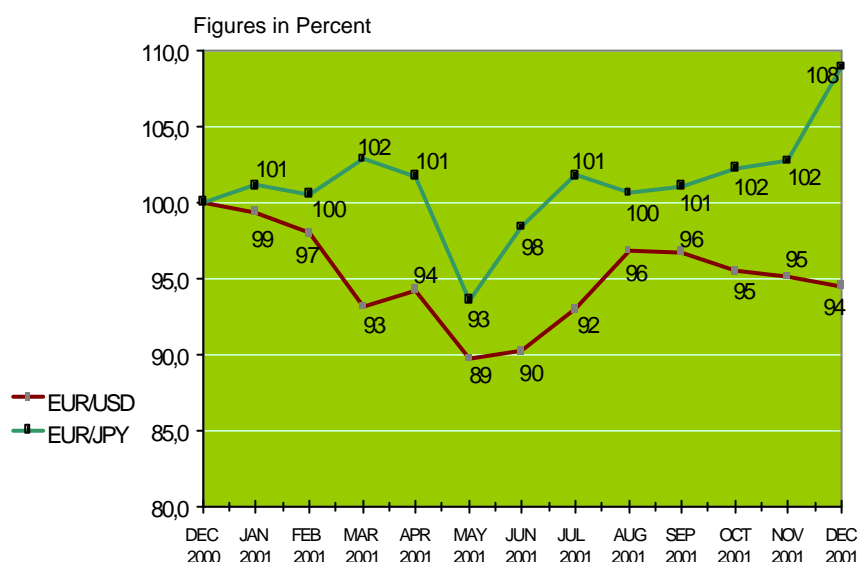
The year 2001 was a real roller-coaster ride for the financial markets as they first saw a move upwards followed by a sharper decrease downwards and finally a price recovery. The collapse of the New Market, poor economic results, but above all the attacks to the worldwide financial system through the terrorist strikes of September 11 resulted in a major downturn in economic activity and caused uncertainty with investors. The consequence was a massive move away from high-risk investments. In the initial aftermath of September 11 there was also a more severe and generalized slump with only a few quoted companies closing their accounts with an increase at year-end. The balance sheet for investment in the year 2001 makes rather depressing reading. Apart from a few smaller markets, all market places closed with a loss. In addition, the number of companies venturing onto the dealing floor fell significantly: The year 2001 will go down in history as the year of the cancelled initial public offerings (IPOs).

In international foreign exchange markets, the increased uncertainty of market participants was reflected in consistent exchange rate fluctuations. It is only thanks to the stability pact and the cool-headed monetary police of the European central Bank (ECB) that the Euro passed its practical test on foreign exchange markets reasonably successfully. In the reporting year, despite the repeated swings in both directions, the Euro levelled off to a stable rate, which, according to the general opinion of experts, is still too low against the US-Dollar.

For the national economies of the Euro area, 2001 was the year of final preparation measures for the introduction of Euro banknotes and Euro coins into an economic area which accounts for approximately 300 million people. Politicians classified this, the biggest currency changeover of all time, as an outright success in the move towards a politically and economically unified

Europe and the beginning of a new era. The single currency, according to economists, will

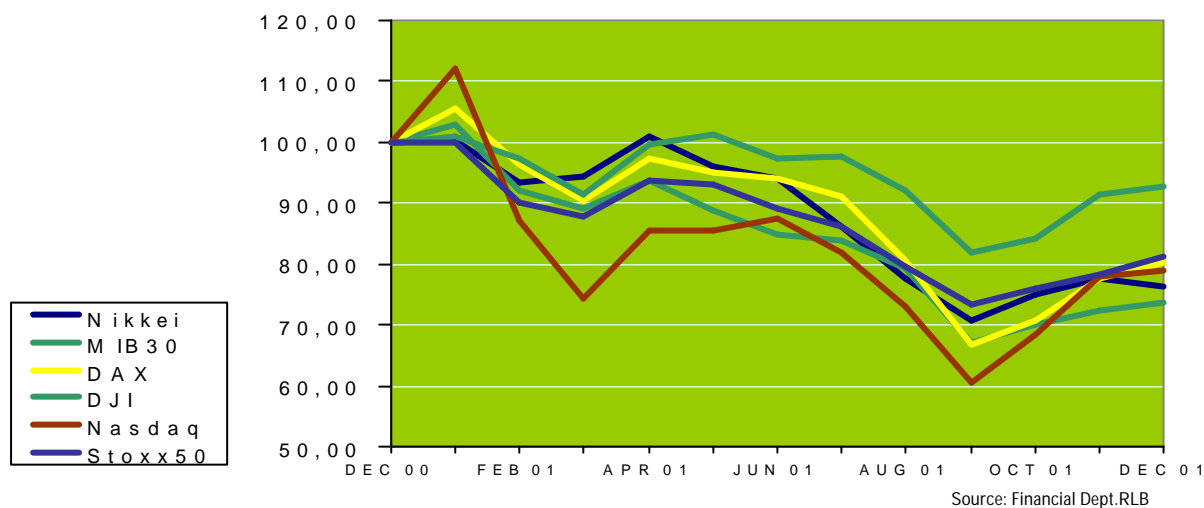
**Development of Exchange Rates 2001
EUR/USD and EUR/JPY**



Source: Financial Dept., RLB

make an essential contribution to a joint identity, stabilise the community and lead to even stronger teamwork between the member states in the areas of economic and financial policy.

Development of Main Share Price Indices in the Year 2001



	31.12.2000	28.12.2001	At the beginn. of the year +/- in percent
Nikkei 225	13,785.69	10,542.62	- 23.52
Mib30	43,719.00	32,263.00	- 26.20
DAX	6,433.61	5,160.10	- 19.79
Dow Jones	10,786.85	10,021.50	- 7.09
Nasdaq	2,470.52	1,950.40	- 21.05
Stoxx50	4,557.13	3,706.93	- 18.66

Source: Sole24ore

Economic Situation in Italy

The year 2001 was also a difficult year for the Italian economy. Economic development, which was still making clearly visible progress in the first half-year, fell in with the European trend and stagnated in the second half-year. The international slump in economic activity, the difficult situation within financial markets and the rapid loss of confidence on the part of the general public and companies alike following the terrorist attacks of September 11 in the USA, weakened demand from abroad and Italian international trade, as well as domestic consumption and investment. Nonetheless, an economic growth of 1.8% surpassed that of many of the Euro-countries.

The economic slowdown in Italy was reflected more in investment activity than in private consumption. Both investment activity (with a small increase of 1.6% compared to the previous year) as well as national industrial output (with a decrease of 0.6% ¹⁵) lost a considerable amount of their dynamism.

The consumer spending of private households however, which rose by 1.4% in the previous year, proved to be a great pillar to the economy. An additional growth impulse emanated from exports as, with an increase of 5.5%, trade balance once more improved.

As for unemployment, still one of Italy's major problems, there were positive facts to report: Despite limited economic development, an employment rate increase of 1.2% ¹⁶ was achieved in the last twelve months, which corresponds to a rise of 248,000 ¹⁷ jobholders, compared to the previous year. The unemployment rate decreased from 10.5% to 9.3% compared to the end of the year 2000. This was the lowest rate since 1993.

¹⁵, ¹⁶, ¹⁷ Source: ABI "Evoluzione dei mercati finanziari e creditizi in 2001", February 2002

In December 2001, the inflation rate trend stood at 2.3%, which corresponds to a decrease of 2.7%, compared to the previous year. The average inflation rate increased from 2.6% (figure of last year) to 2.7%.

In the Italian parliamentary elections of 13th May, the middle-right block under the leadership of Silvio Berlusconi emerged as the winners.

The programme of Berlusconi's government included fundamental reforms in the areas of fiscal legislation, the pension system, privatisation, public administration and measures for stimulating the economy. The Italian economy, most notably the Confindustria, the umbrella organisation of Italian industry, went even further in their demands to the new government. They pressed for an improvement in international competitiveness through structural reforms and, within the context of a more liberal economic policy, for a move towards a flexible labour market (with greater scope for recruitment and dismissals).

In the first half-year, the government had already had to get through a difficult practical test with their reform plans for the pension system and the labour market. In a tug of war with labour unions which lasted for months, an unsuccessful attempt was made at putting together a package of measures. One of the major bones of contention was the planned loosening of art. 18 of the labour statute referring to protection from dismissal. In addition, it was ruled that the common practice of finding extra-parliamentary consensus with trade unions should cease. The government however tried to pour oil on troubled waters through deadline shifts and textual concessions.

Major successes were recorded in the area of fiscal legislation. Inheritance tax and gift tax were abolished and new investment assistance ("Tremonti-bis") was introduced. Measures for

revealing the shadow economy were also introduced. Furthermore the privileged repatriation of property assets from abroad represents an exceptional indicator of the government's success in achieving its targets.

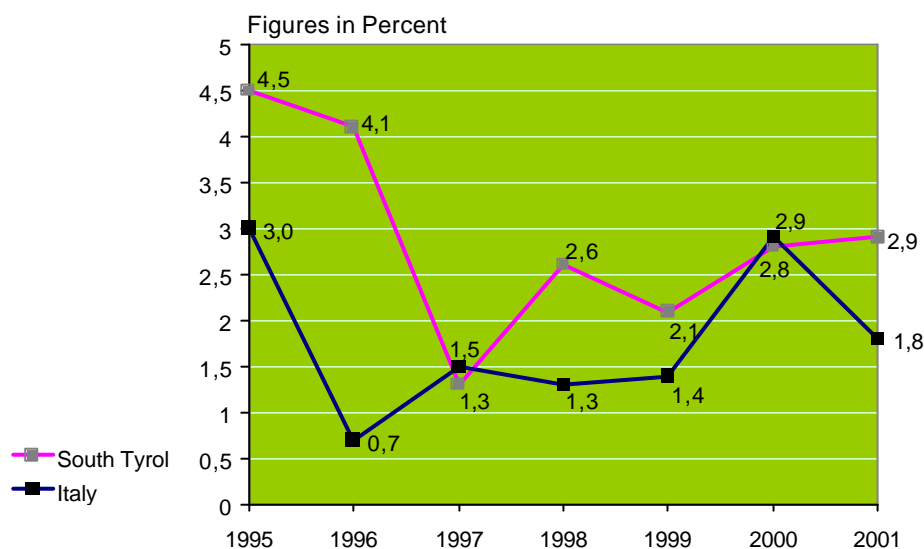
By the end of December, Treasury Minister Giulio Tremonti's extensive draft law aiming at a substantial change to the national tax system by the year 2006, was passed. In essence, the objective was to radically simplify the taxation system (by abolishing numerous taxes and by a future limitation on five important national taxes) and to reform income tax (with only two, instead of the present five multipliers). The tax burden ought thereby to be considerably decreased. A unification of the tax rate with regard to capital gains of private persons was also included, with the new rate being limited to only 12.5%. To relieve companies of some of the tax burden and to make Italy more attractive as a business location for foreign investors, the reduction of corporate income tax from 37% at present to 33% is planned.

Despite lower economic growth, the government tried to adhere to plans for budget consolidation. At 1.1% of the Gross Domestic Product (GDP), the budget deficit for the year 2001 was 0.4 base points lower than last year's figure. In view of the low economic growth however, there is some doubt as to whether Italy will be able to reduce its deficit by the end of the year 2002 to the planned 0.5%.

Compared to last year, global debt was reduced by three base points to 107.5%. However, among the other EU states, Italy still featured in the group with the highest levels of debt. Cost drivers were spending in the medical services field and the personnel costs of public administration.

Berlusconi held a vast majority in Parliament, the like of which had not existed for decades

Development of Economic Growth in South Tyrol compared to Italy



and providing him with the prerequisites for a government which could last for the entirety of its term of office. This creates the space for completing programs and actually achieving targets ¹⁸.

¹⁸ Sources: Starnet Economic Report, various publications

Economic Development in South Tyrol

Economic Key Data

In view of the international economic environment, which clearly showed a cyclical slowdown, the development of the South Tyrolian economy in the year 2001 can be described as stable.

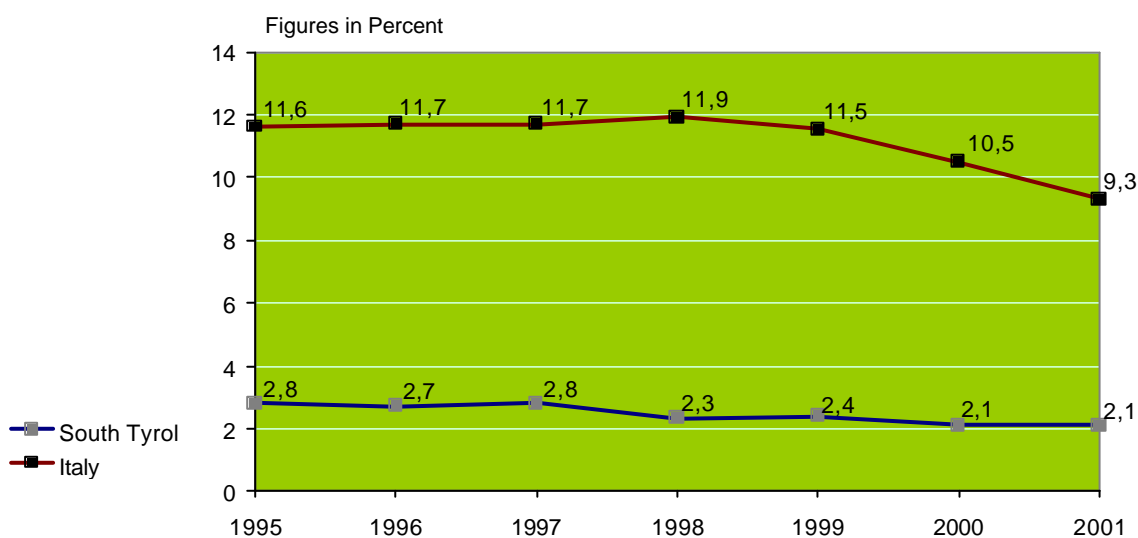
Positive results were achieved in almost all economic sectors. In the reporting year, Gross Domestic Product (GDP) in South Tyrol amounted to 2.9% ¹⁹ which is above the national average (1.8%) ²⁰.

number of employed people in South Tyrol was 231,700 ²¹.

Likewise, price levels for consumers were favourable in the reporting year: the inflation rate levelled off at a low level, amounting to 2.5% on average ²². The inflation rate trend in December 2001 was 2.7%.

Foreign trade showed a high level of dynamism and recorded imports amounting to 1,907 million Euro with a growth rate of 5.0% compared to the previous year; export volume also increased by 2.7% reaching 1,654 million Euro ²². Overall, as in recent years, the trade balance remained negative (-253 million Euro) ²³.

Development of South Tyrol's Unemployment Rate compared to Italy



Sources: For South Tyrol: ASTAT, 1995–1997; 1998–2001 Estimation WIFO
for Italy: Prometeia

With a moderate increase in employment of 0.8% and an unemployment rate which consistently remained at their lowest level (2.1%), positive signals once more emerged from the labour market. In the first 9 months, the

By the end of September, 55,655 companies had registered with the Chamber of Commerce -

¹⁹ Prognosis of the Business Development Institute of the Chamber of Commerce, Bozen.

²⁰ Source: ISTAT

²¹ Amt für soziodemografische Informatik First 3 trimesters 2001, compared to the previous year

²² January – November 2001, compared to the same period of the previous year.

²³ First 3 trimesters 2001, compared to the previous year

an increase of 414 (+0.7%) ²⁴ in comparison to the previous year. By the end of 2001, 64 companies had filed for bankruptcy, the figure of the year 2000 totalling 67.

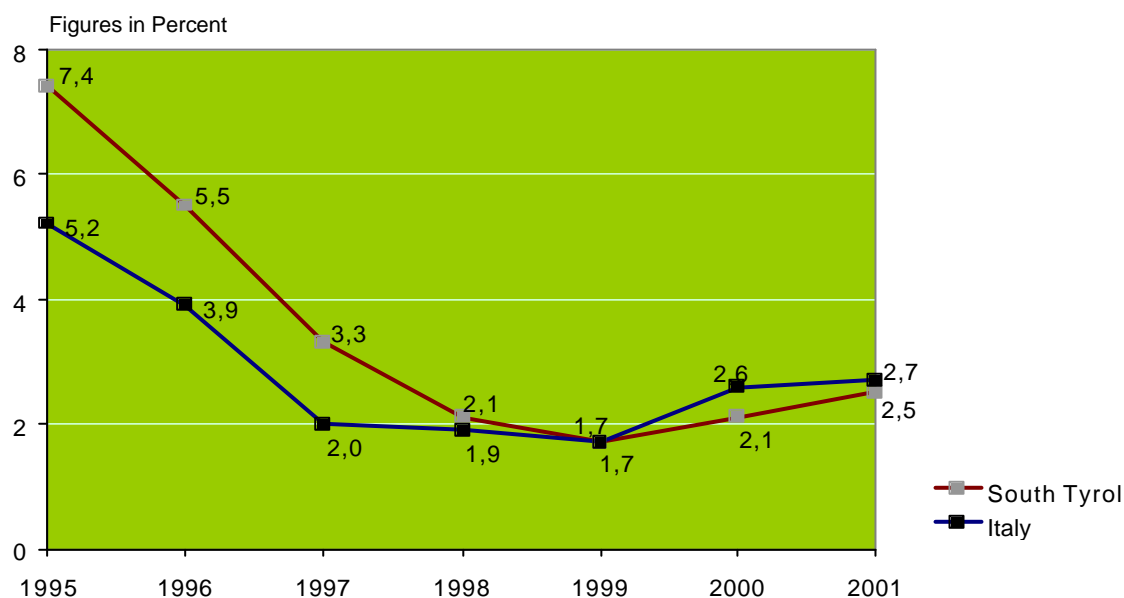
The Economic Situation in the Expired Year

The worldwide uncertainty, which had prevailed since the terror attacks of 11 September, had no noteworthy influence on the economy of South Tyrol. The economic structure, characterised by small- and medium-sized enterprises and a well-balanced diversity of sectors had already in the

The economic situation of the 13,000 workshops was in all respects positive in the reporting year, the only exception being in the print and publishing sector. Despite moderate growth in production and lower capacity utilisation, employment and profitability were equally stable in the industrial sector. However, in some sectors, as for example the construction industry, there were the first signs of a slowdown.

A clear weakening in demand and dynamism of volume was recorded in the wholesale trade. Wholesale traders had partly expected a decline in orders, whereas employment had been

Development of the Average Inflation Rate of South Tyrol Compared to Italy



Sources: for South Tyrol: ASTAT from 1995–1997; 1998–2001 Estimation WIFO
for Italy: Prometeia

past proved to be less crisis-prone during periods of international recession. On the other hand, the signs of a slowdown in growth, which internationally had already been perceivable for some time, also became noticeable in the South Tyrolian economy, although in a milder version.

²⁴ Unioncamere: 3rd trimester 2001 compared to the same period of the previous year.

predicted to remain stable. The retail trade, which had been through a difficult period, was also unable to show any signs of recovery, its results remaining only satisfactory.

The service sector continued to be stable in the last months, both with respect to turnover and income generation.

With 4 million guests in the tourism year 2000/2001 and an increase in overnight stays of 4.3% ²⁵, the tourism sector, which has an impact on the development of many other economic sectors, also recorded a successful year.

In agriculture, South Tyrolian farmers can look back on a generally good 2001 harvest. This applies to both the fruit, wine and vegetable economy, as well as arable farming.

The downtrend of recent years in the fruit economy was successfully interrupted in the business year 2000/2001. Though the harvest decreased by 5.3% compared to the previous year, sales revenues were increased by 18.1 million Euro. On the whole, despite the clear increase in sales revenue and prices paid to members of fruit cooperatives, the price level can still be described as moderate. Despite an increase in measurements in the commercialisation field, according to available data, a trend reversal for the structural crises in the fruit economy is not foreseeable.

Last year's stable trend in the wine economy was confirmed. The 2001 harvest was 5.0% higher than in the previous year and some of it was of outstanding quality, producing payments of 42.8 million Euro for members of winery cooperatives, a figure which represents an increase of 8.7% compared with the previous year.

With regard to the cattle economy the situation is less favourable: The Europe-wide crises also hit South Tyrol, resulting in a drop-off in cattle and meat prices. Nevertheless, the milk economy showed stable and satisfying development.

Italian Banking Sector with Particular Regard to the Raiffeisenkassen

Considering the difficult market conditions, the Italian banking system asserted itself well.

By 30 September 2001, in total 841 banks were involved in the Italian market, 487 of which were Raiffeisenkassen (57.9%). Direct deposits of the whole banking system increased by 6.2% compared to the previous year. The increase of the Banche di Credito Cooperativo (BCC) (Italian cooperative banks) amounted to 13.7%, which is clearly above the national average. The largest increase was recorded in repurchasing agreements, which increased by 24.2% in the Italian banking system and 39.7% within the Italian Raiffeisenkassen.

The dynamic growth in loans at state level continued, increasing by 8.2%, although the respective figure for the Raiffeisenkassen was even higher, reaching 11.7%.

As to the quality of loans, doubtful receivables less valuation allowances amounted to 22.39 billion Euro in November 2001, 5 billion Euro lower compared to the same month of last year, which corresponds to a decrease of 18.25%²⁶

The consequences of negative development in international equity markets also left their mark on the Italian Banking system. Indirect deposits recorded a national drop of 11.8%. The Italian Raiffeisenkassen enjoyed somewhat better results, recording only a slight decrease of 0.3% by the reporting date of 30 September 2001.

As with European financial and credit markets, their Italian counterparts showed a decrease in interest rates in the year 2001, the most marked

²⁵ January-October 2001 compared to January-October 2000

²⁶ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

drop being in those of short-term securities. At 3.11% the average gross interest rate of public treasury certificates reached its lowest value of the year in November and at year-end it levelled off at 3.14%. The respective interest rate of December 2000 amounted to 4.64%.

The same dynamic was displayed by the average interest rates in the loans field. They dropped from 6.89% in December 2000 to 5.94% in December 2001. This fall of bank interest rates in the credit field follows the trend of monetary-policy signals and the development of interest rates in money markets.²⁷

The relevance and attractiveness of the cooperative system becomes apparent from the large growth in members. By 30 September 2001, the Italian Raiffeisenkassen had 603,700 registered members., which corresponds to an increase of 4.8%, compared to last year.

The income situation of the Italian banking system deteriorated slightly compared to last year. Return on equity (ROE) amounted to 11.4% (last year's value was 13%). Decisive in this development were lower commission income from the securities trade, higher operating expenses and increased individual valuation allowances in the credit business. These negative influences could only partly be compensated by a higher net interest surplus²⁸.

The South Tyrolian Raiffeisen Finance Organisation in the Business Year 2001

Against the background of a relatively favourable economic development in South Tyrol, which extended to almost all sectors, the

Raiffeisenkassen were equally able to present good results for last year. Again they entirely satisfied their statutory mandate to promote their members as well as the local economy and similarly, relations between members and customers were developed and strengthened.

The considerable increase in loan and deposit business in the reporting year was testimony to the successful actions of the group on the market. A prudent business policy, which prioritised controlled development of earnings, costs and risks, eventually contributed to quite favourable income development.

As in recent years, the good growth of loans volume continued in the reporting year, the increase in lending business (including RLB) amounting to 552 million Euro, a growth of 13.3%. Loans thereby reached a level of 4,707 million Euro. The risk situation in lending remained stable. Although doubtful receivables increased by 12.18%, at 1.74% of total loans, they were still at the same level as last year and significantly below the national average.

Direct customer deposits, which in addition to savings accounts and deposits on current accounts also include savings certificates, repurchasing agreements and bank bonds, as well as the funds of the Landesrotationsfonds (local authority's fund for subsidised loans) increased by 13.19% (figure includes RLB) to 4,851 million Euro. This above average growth, unique in the last 10 years, was primarily due to developments in international financial markets. The sharp downside in international stock accounts resulted in savers steering clear of risky investments preferring to invest their savings in traditional and safe investment forms again.

²⁷ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

²⁸ Source: ABI and Federcasse, situation as per 30.09.2001

The largest growth in customer deposits was made in the form of bank bonds, which increased by 29%. The development of deposits on current accounts and repurchasing agreements was equally satisfactory as they increased respectively by 9.4% and 10.38%. Savings accounts recorded an increase of 4.83%.

Despite extremely good increases in customer deposits, the liquidity situation of the Raiffeisenkassen continued to be tight. Generally within the province, the level of customer deposits no longer sufficed to cover the demand for loans. Therefore an increasing number of Raiffeisenkassen were forced to cover their borrowing requirements through refinancing on the capital market. Refinancing basically takes place via the RLB, which, for its part, already one and a half years ago, had paved the way to international refinancing sources with a Standard & Poor's Rating of A-.

The development of indirect deposits was less satisfactory. This field, which includes third party securities, investment funds, asset management and investments in security products with its total of 1,713 million Euro on 31 December 2001, recorded a decrease of 10.4%. This slump followed the national and European trend. The difficult market conditions in the business year 2001 (worldwide economic slowdown, negative development of international equity markets and repeated revisions caused by lower income expectations) were decisive in this decrease.

Evidence of the unabated popularity and trust in the cooperative enterprise that is "Raiffeisenkasse" was provided by the increase in member numbers which rose by 3% to 41,238 compared to last year.

With 194 outlets, the 52 Raiffeisenkassen dispose of a very dense branch network. The

quantity of Raiffeisenkassen and their outlets remained unchanged compared to the previous year. Two Raiffeisen outlets are run in the province of Trient (Vigo and Pera in the Val di Fassa) and one in the province of Belluno (Arabba). With the 191 outlets run in the province of Bozen, the Raiffeisenkassen dispose of nearly half of the bank branches in South Tyrol. The Raiffeisenkassen are represented in all but nine of the municipalities by one or more outlets.

The Raiffeisenkassen are cooperative enterprises whose main focus is to help and support, their target being to provide the local economy with loans and generally to provide members and customers with financial products and services which fit their needs. For these purposes the Raiffeisenkassen also collaborate in the combine.

The Raiffeisenverband (Raiffeisen Association) once more strove to act as a reliable consultant and tutor in order to overcome a variety of problems. It also produced synergies and cost savings by carrying out and bundling large scale services. Its functions are many and varied: it aims to represent, to safeguard the interests and to support the member cooperatives, as well as to sponsor and develop the cooperative system. As the legally authorised auditing and balance-sheet auditing body, it endeavours to be as effective as possible and to provide the greatest possible benefit, stability and continuity to the Raiffeisenkassen.

The Raiffeisen-Versicherungsdienst (RVD, Raiffeisen Insurance Service) was also able to show satisfactory development and further expand its market position in local insurance business in the year 2001 with above average increases in the various sections. Meanwhile the RVD surpassed 10% of the market share in the South Tyrolian insurance business. It is in the

interest of the cooperative system, to make the most of synergies between banking and insurance business and not only to promote the building-up of member and customer assets, but also to secure them.

The Raiffeisen OnLine Gen.m.b.H. (ROL) also put its main focus on extending business relations between Raiffeisenkassen and its customers. The number of members grew to 47 in total and consisted mainly of Raiffeisenkassen but also of goods production cooperatives. Through numerous innovative products and services, ROL was able to massively strengthen the market presence of the Raiffeisen-Organisation.

Through its proximity to customers, ROL offers a wide range of services (counselling and support), from simple internet access to security solutions and individual E-commerce solutions. As the technical forerunner, it is able to provide new internet solutions and to guarantee future innovation in the field of communication and information technology.

The RLB in the Business Year 2001

General Facts

According to its articles of association, the RLB Raiffeisen functions as a subsidiary structure within the Raiffeisen Finance Organisation. Its task consists of supporting the Raiffeisenkassen in the banking and finance business through the services of its Main Sections Commercial Business, Investment Business, Treasury and Payment Flows, through consultancy in these fields and through the supply and investment of liquid funds to the Raiffeisenkassen.

The RLB's objective is to promote and strengthen the combine of independent banks by providing cost-efficient banking services, through the development of interesting new products and through high quality counselling to the Raiffeisenkassen.

The results of the RLB in the year 2001 showed that the management was well able to handle the problems posed by international financial markets. This know-how and the income generated by it are passed on to the Raiffeisenkassen.

In the previous year, the RLB turned its attention to the consolidation and further development of collaboration with the Raiffeisenkassen. The services offered by the RLB should enable the Raiffeisenkassen to optimally serve their customers whilst at the same time releasing manpower to focus on sales.

The statutory function of supplying and investing liquid funds for the Raiffeisenkassen was fulfilled by the RLB. In the course of this task, in addition to its activities in the money market, the RLB also operated on the capital market. The good Standard & Poor's rating with a creditstanding of A- significantly facilitated and reduced the costs of these transactions.

In the last business year the RLB also turned its focus on consolidating and toping off the product range.

In the investment field, the large range of international investment funds on offer was further expanded and the Raiffeisen Asset Management "Concret" was completed with the new investment line "Concret Global Trend".

In the primary deposits field, where, because of the large increase in loan demand, a volume increase was vital to the Raiffeisenkassen, interesting alternatives were created with the introduction of structured notes, which, under capital protection, enable the investor to participate in the growth of stock exchange developments. In the course of the year 2001, debentures with capital guarantee and at the same time with a coupling to the development of investment funds, were offered for the first time.

The new „Virtueller Hinterschalter“ (Virtual Counter) service for the Raiffeisenkassen was well received in the reporting year and will be further developed. By introducing standardised banking procedures and taking over cost-intensive administrative activities, the RLB guarantees that the Raiffeisenkassen will also dispose of efficient and competitive processing systems in the future.

The activities of the Raiffeisen Investment Club were strongly supported by the RLB in 2001. The Club, founded in October 2000, aims at providing South Tyrolian investors with a better understanding of investment products and financial markets allowing them to maximise their return from investment decisions. The fact that Raiffeisenkassen customers showed a lively interest in the Club's offerings gave further evidence of the ability of Raiffeisen to act as a very competent partner for South Tyrolian investors.

The RLB was active as a commercial bank in the local market. Applying the subsidiary principle, direct customers were offered and supplied with all products and services of the banking business. Advice and experience gained in this area supported the development of custom-made products and services for the Raiffeisenkassen. The year 2001 was marked by a decrease in the uptake of products by customers and, due to careful behaviour on the part of investors, a simultaneous increase in customer deposits.

Due to higher lending demand resulting from continuous South Tyrolian economic growth in 2001, the Raiffeisenkassen continued to seek collaboration with the RLB in the middle- and long-term lending business, but to a lesser degree than in recent years due to the fact that the Raiffeisenkassen increasingly disposed of its own deposits. The liquidity available on the South Tyrolian market could be attributed to the difficult situation on international financial markets and the consequential caution of investors. The increasing demand for financing confirms the continuation of a positive trend in the lending business. In this field, the RLB offers support in risk sharing and in the credit assessment of large lending positions.

The year 2001 was marked by the preparations for the introduction of the Euro notes at year-end. The RLB supported the Raiffeisenkassen in all organisational measures, represented them with regard to public authorities and fulfilled the task of an information mediator. The introduction of the Euro notes was carried out to the complete satisfaction of customers in the whole RGO.

Organisational Structure

On 29 January 2001 the Board of Directors entrusted the function of Managing Director to Peter Gius, who had already taken on this role on a transitional basis.

In order to meet the new requirements, the company was restructured with the objective of accelerating decision-making paths. As a result, the RLB disposes of the three main sections of Commercial Business, Investment Business and Administration and Organisation.

At this juncture, explicit thanks are conveyed to the Vice-Director of Counter Services, Erwin Agostini who left to commence a well-earned retirement.

Participations

Participations are seen as the possibility on the part of the RLB, to expand its range of services to the Raiffeisenkassen and to seize business opportunities. The aim is to boost the market position of the Raiffeisenkassen in South Tyrol through strategic participations.

In the reporting year, the RLB participated with Euro 347,575.49 in the capital increase of Banca Agrileasing SpA.

The RLB is also a member of the Italian Deposit Insurance Fund of Cooperative Banks. In the financial year 2001, due to various crisis situations, members of the fund were requested to cover secured deposits. In total, 3,911.95 Euro were contributed for this purpose.

Development of Equity Capital and Profitability

Corporate assets were structured as follows:

Share Capital	Euro	51,650,000
Fund for General Banking		
Risks	Euro	2,582,285
Reserves	Euro	10,617,733
Revaluation Reserves	Euro	4,845,399
Operating Result	Euro	3,024,161

Consequently total corporate assets amounted to Euro 72,719,577.

Profitability

According to the association articles mandate, the RLB is expected to supply products and services of suitable quality to the Raiffeisenkassen and to guarantee their access to national and international financial markets. On this occasion, a key task is the development of new products and public relations with financial service companies. The task is to concentrate all preparation work centrally, to relieve the Raiffeisenkassen and to promote their long-term independence.

The terms and rates catalogue for the Raiffeisenkassen, including Money, Foreign Exchange and Securities Trade, as well as the settlement of payment flows in the home and foreign market, aims at transferring the true accumulated costs for the latter activities.

The RLB aims to develop new income sources though, which are not at the expense of the Raiffeisenkassen. Such income is in actual fact the commercial business of the RLB, which is in no way limited to the new issue business in the Bozen area. Various initiatives for collaboration in investment business with institutions from outside the province were initialised, including

the expansion of the role of correspondence bank for foreign funds.

The profitability of the RLB is significantly influenced by the economic development of commercial business. Below an overview of the good economic results and further preparation work, which is carried out by the RLB.

Development of the Volume of Trade

In the financial year 2001, volume of trade was expanded by 19.33% to a total of 1,060 million Euro. Contingent liabilities, such as guarantees, acceptances and other liabilities recorded a growth of 18.03%.

This growth derived mainly from rise in commercial business and in treasury.

The volume growth in commercial business was achieved thanks to close collaboration with the Raiffeisenkassen, particularly in the field of middle-term and long-term financing, and the continued servicing of direct customers, principally in the corporate sector.

Development of Gross Interest Margin

The interest rate level during the reporting year followed a slight, but constant decreasing trend. Due to the difficult environment, the net interest result in commercial business was slightly lower. Similarly, the general decrease in the interest level caused the average interest rate on deposits and loans to fall slightly. There was also a slight decrease in the interest gap compared to last year.

Compared to the previous year, net earnings on interest business decreased by 13.18% to 9,026,788 Euro.

Development of Commission Margin

The net commission margin fell by 13.72%, compared to the previous year. Above all the stagnation in security stock exchanges caused investors to take up cautious positions.

As a result, customer trading activity decreased sharply and net results from commission business dropped to 7,080,328 Euro. The latter includes commission refunds to the Raiffeisenkassen for the promotion of the asset management product "Concret". Commissions of Euro 1,724,886.80 were repaid to Raiffeisenkassen in the year 2001.

Development of Earnings from Trading for Own Account

The net result on own securities and foreign exchange trading improved above-average, compared to the previous year. This development is due on the one hand to increased monitoring of market risks and on the other to the continued diversification of risks in the bank-owned investment portfolio. The performance achieved of bank-owned security holdings somewhat exceeded target values. A good trading result was achieved in foreign exchange trade.

Changes in Operating Expenses

In the last financial year, operating expenses, with an increase of only 30,867 Euro (+0.23%), were kept at a similar level to last year. Considering the average Italian inflation rate of 2.7%, this effectively results in a decrease of real operating costs.

At 59.15%, staff costs represented the largest item within operating expenses. They amounted to 101,909 Euro, or 1.32%, higher than last year, an increase which is lower than the

inflation rate. Information technology costs, which increased by about 6.19% to 2,578,953 Euro in total, came second on the list.

The remaining administrative expenses decreased by 221,272 Euro (about 7.25%) to 2,832,235 Euro in total.

It is satisfying to note that operating expenses are kept under control and even show a decreasing trend.

Depreciations, Provisions and Results from Extraordinary Business Activity

Depreciation of tangible and amortisation of intangible fixed assets amounted to 729,406 Euro in total, representing an increase of 111,195 Euro, or 17.99%, compared to the previous year.

Due to the considerable amount of stock and the rise of contingent liabilities, provisions of 413,166 Euro were set up.

Due to good developments within doubtful accounts, the direct valuation adjustment requirement was considerably lower than last year amounting to only 137,350 Euro.

As a consequence of the continuing large increase in customer receivables, a provision of 2,213,422 Euro to cover possible loan losses was made.

The results presented in the above stated sections produced a profit from ordinary activities of 5,376,446 Euro.

Taking into account the net results of extraordinary business activity, operating results before tax amounted to 5,778,569 Euro in total, a slight improvement (+2.39%) on last year.

Net Profit

After deducting 2,754,408 Euro in direct taxes, a net profit of 3,024,161 Euro was reported. Profitability and productivity ratios thus improved considerably compared to the previous year. The individual business sectors of the RLB recorded the following results in the last financial year:

Main Investment Business Section

Investment Business

The year 2001 was marked by negative market influences and the pessimism of investors. South Tyrolian investors reacted in a reserved manner and avoided risky investments. Trading volume in the securities field was correspondingly low.

The servicing of the investment funds range, which had already been considerably developed in recent years, was further driven forward. In total, 13 new funds were launched by the already existing fund companies of Raiffeisen Kapitalanlage-Gesellschaft, Vontobel, Union Investment, Parvest und Julius Baer. These funds were introduced at a presentation of the fund company ROBECO, the Dutch Raiffeisen organisation based in Rotterdam. ROBECO-funds have been available throughout South Tyrol since the beginning of 2002. The Raiffeisenkassen thus dispose of an extremely diverse range of investment funds.

The afore-mentioned ROBECO-funds are also distributed outside South Tyrol, thus allowing the RLB to consolidate its position as a correspondence bank and generate income which is not at the expense of the Raiffeisenkassen.

In the course of the year, the offer range of the Raiffeisenkassen was expanded through the

issue of new structured bonds. The organisational support of the Raiffeisenkassen for the emission of own structured bonds for their primary business was further enhanced and this area will continue to be improved and expanded. The offer of debentures linked with investment funds represented a new departure.

By the beginning of the year, the asset management product "Concret" was completed with the fifth actively managed and worldwide diversified sector and topic line "Concret Global Trend".



In collaboration with the Raiffeisenkassen and the Raiffeisenverband, the RLB actively co-operated with the activities of the Raiffeisen Investment Club in order to transfer investment know-how to Raiffeisen customers and to fulfill the image of "Raiffeisen, die Anlagebank" (Raiffeisen, the Investment Bank). In May, we

participated in the organisation of the 2nd “Anlegersymposium Südtirols” (Investment Symposium of South Tyrol), which was a complete success, attracting more than 900 participants.

In October we supported the organisation of the two district club-conferences in Meran and Bruneck.



2nd Investment Symposium in South Tyrol on 24.5.2001



District Club-conference in Meran on 4.10.2001

Securities Trade

Due to the continuing depression in stock markets, turnover in securities trading decreased by 56% in the course of the year, leading to a commission result of 448,000 Euro, which is 70.80% lower than last year.

The negative developments in stock markets

generated an increased need for security on behalf of customers causing them to partly invest their capital in low-risk bank bonds.

Correspondingly, this investment field recorded an increased demand in the course of the financial year 2001. Despite poor market conditions, the asset management product “Concret” and stocks in investment funds were able to assert their position. The expansion of the product range in the single securities business was carried forward in order to offer customers the greatest possible diversity of investment fields.

One of the main focuses was back-office automation. In order to keep structural costs under control, some employees were redeployed to income-stronger departments. Procedures were revised in order to adapt the organisation to the reduction in staff and to keep it stable, effective and cost-efficient. The objective remains to produce the best technical organisation, to keep it updated and to continually improve it.



Customer consultants – from left:
Ermanno Orlandi, Gernot Häufler, Martin von Malfèr

One of the main focuses of the Investment Business Section is to improve the support for on-site sales of securities. In order to provide Raiffeisenkassen customer consultants with an extensive and up-to-date information service, a securities consultancy team was founded. In

future, it will stand alongside customer consultants to assist with all questions regarding securities sales.

Treasury

At the accounting date, due to banks amounted to 616,261,015 Euro, which is an increase of 15.06%, compared to the previous year. Due from banks decreased by 12.09% in the reporting year and amounted to 289,797,728 Euro. This result can be attributed to the favourable development of customer deposits within the whole Raiffeisen Finance organisation.

In the last year, about 6,800 money market deposits with a counter-value of 29,385 billion Euro were traded.

The RLB actively participated in the repurchasing agreements of the European Central Bank (ECB). The tendency towards a decreasing liquidity of the Raiffeisenkassen became further evident in the reporting year, but clearly slowed down. Following seasonal and structural fluctuations in its amount, financing was also required by the Raiffeisenkassen.

The Euro notes advances for the Raiffeisenkassen from the national bank of issue were effected without incident.

With reference to results in bank-owned security holdings, the Treasury met its planned performance target. As with the year 2000, the results of the reporting year were definitely positive. This is all the more remarkable in view of the turbulence experienced worldwide.

Security holdings were further diversified: In addition to the predominant investment in government securities, the portfolio was broadened to include corporate and bank bonds, as well as bond funds and equity funds.

Procurement of middle- long-term liquidity on international capital markets continued, on the one hand for the RLB itself, and on the other hand to be passed on to the Raiffeisenkassen, by subscribing their debentures and transferring them into the RLB's own portfolio.

Our rating from Standard & Poor's and Raiffeisen name provoked great interest on behalf of institutional investors both inland and abroad in Europe.

Foreign Exchange Trade

Due to the increased trading for own account, turnover in foreign exchange trade showed a substantial increase compared to the year 2000.

Income from foreign exchange trade considerably improved.

Main Commercial Business Section

Commercial Business

The year 2001 will surely go down as the most successful year in commercial business of the RLB with growth increments achieved in almost every field.

Weaker income in the distributed investment business was compensated with above-average results in the credit and primary deposits field. This development is mainly due to two factors: Firstly the collaboration with the Raiffeisenkassen, the benefits of which have been for all to see. The close cooperation of the RLB was sought to service the market, resulting in, as with last year, a large increase of 17% in middle-term and long-term financing.

Secondly, the RLB has, in the meanwhile, made a name for itself as a commercial bank with customers particularly appreciating the competence of our employees and the quality of our services. This is confirmed by the above-average growth in import and export financing, as this business requires a high level of competence on the part of employees.

Deposits

As previously mentioned, the environment in the deposits field underwent a marked change last year. The "run" to stock markets abruptly came to a rest with customers increasingly returning to traditional investment forms. This trend is confirmed by falling figures in investment funds and distributed securities.

Despite the afore-mentioned turbulence in stock markets, the bank-owned asset management product "Concret" achieved an increase in volume.

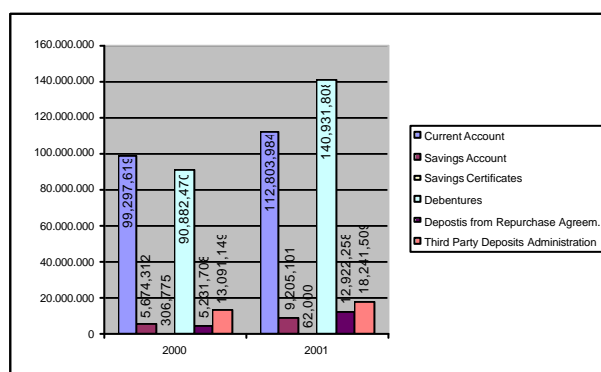
This development is due to the fact, that "Concret" offers various investment lines with different risk profiles to the customer, thus providing equally good service in changing environments.

There was a consistently brisk demand for bank-owned bonds as more and more customers chose this secure instrument to invest part of their assets.

As margins in interest business continually diminish, commission business has been pushed by the RLB for some time.

Deposits – Product Description (in Euro)

	2000	2001	Percentage of Total Variation 2000/2001
Current Accounts	99,297,619	112,803,984	16.95%
Savings Accounts	5,674,312	9,205,101	4.43%
Savings Certificates	306,775	62,000	-0.31%
Debentures	90,882,470	140,931,808	62.81%
Deposits from Repurchase Agreem.	5,231,708	12,922,258	9.65%
Third Party Deposits Administration	13,091,149	18,241,509	6.46%
Total	214,484,034	294,166,660	100.00%



Increased collaboration with Banca Agrileasing brought about positive results with a considerable number of leasing contracts placed.

In the insurance field, cooperation with the Raiffeisen insurance service has existed for many years and premium revenue and commission proceeds this year did not fail to show a satisfying increase.

Loans

Continued positive economic growth resulted in a further increase in loans, with demand remaining brisk.

The sector spread of loans changed slightly compared to the previous year. The services sector continued to have the largest share, increasing by 3% compared to last year to a total of 35%. This was mainly due to the expansion in the tourism and construction suppliers sectors. A trend reversal was experienced in the retail trade, financial systems and public administration sectors. Loan volume in the latter areas, which had been declining in the previous year, recorded an increase in the year 2001. Financing to wholesale trade, families and agriculture decreased slightly.

The development of loan losses is pleasing. They remained at the very low level of 0.17% of total credit volume in the year 2001.

The share of loans considered difficult to collect, including interest stood at 0.47% of total loan volume in the reporting year, which is far lower than the country-wide average (about 2.4%)²⁹.

²⁹ Source: ABI "Evoluzione dei mercati finanziari e creditizi nel 2001", February 2002

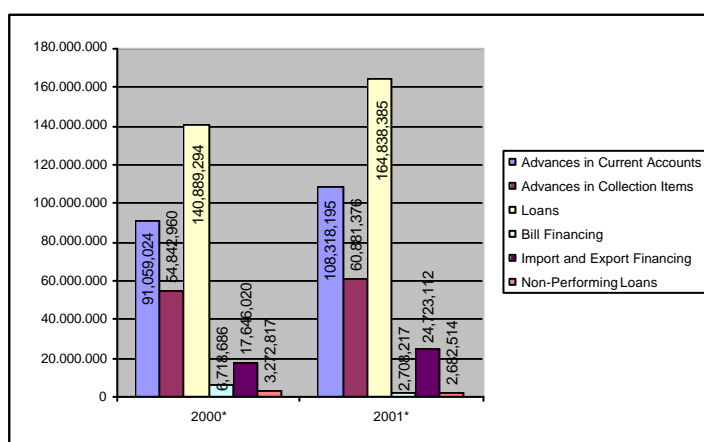
In the reporting year, Commercial Business of the RLB focused on the consolidation and extension of relations with existing customers. The continuing expansion in loan demand and the expected deterioration of the macroeconomic framework are carefully monitored by an active credit risk management at all levels. The well-balanced composition of the credit portfolio is predetermined by target values defined within the bank, which results in a broad spread of investment with risk-reducing effect. Support from credit risk management in this area showed good results.

At the accounting date, loan exposure amongst the group of large-scale loans was in line with the provisions of the Banca d'Italia, with the

Loans – Product Description (in Euro)

	2000*	2001*	Percentage of Total Variation 2000/2001
Advances on Current Accounts	91,059,024	108,318,195	34.71%
Advances on Collection Items	54,842,960	60,881,376	12.14%
Loans	140,889,294	164,838,385	48.17%
Bill Financing	6,718,686	2,708,217	-8.07%
Import and Export Financing	17,646,020	24,723,112	14.23%
Non-Performing Loans	3,272,817	2,682,514	-1.19%
Total	314,428,801	364,151,799	100.00%

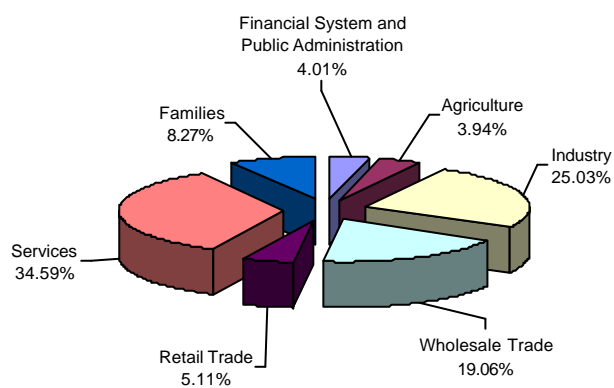
*The amounts do not take into account the devaluation of claims



largest loan position amounting to 5.54% of the total loan volume per 31 December 2001.

Spreading of Loans (in Euro)

Sector	2000	in %	2001	in %
Financial System and Public Administration	6,864,745	2.19	14,532,064	4.00
Agriculture	27,180,610	8.69	14,283,648	3.93
Industry	74,318,148	23.75	90,738,895	24.99
Wholesale Trade	60,561,285	19.35	69,096,769	19.03
Retail Trade	13,949,501	4.46	18,512,914	5.10
Services	99,405,558	31.77	125,978,723	34.69
Families	30,617,631	9.79	29,996,850	8.26
Total	312,897,478	100.00	363,139,863	100.00



Payment Flows

In the business year 2001, this section focused on coordinating the introduction of Euro notes for the whole Raiffeisen group. The second half of the year was particularly dominated by preparations for the Euro. The support services of the department were assigned to the task of



distributing the new Euro money and collecting Lira coins and notes. This involved ordering Euro coins and notes, organizing cost-effective transport, solving storage difficulties taking account of logistical and insurance



Delivery of the first Euro-coins

considerations, and organising the pre-distribution of coin starter packs.

In autumn, the recouping of Lire currency started. As expected, a large amount of money needed to be processed. The corresponding logistical and insurance-related technical challenges were mastered smoothly. Due to the heavy burden placed on resources by the Euro introduction, only essential work was carried out in relation to the launching of new products and the effecting of adaptations. The new product "Freccia" was launched. This is a bank giro transfer form, serving in the collection of minor



Transportation of Lira

amounts. As a product in competition with the postal giro transfer form, it is more favourable in price than the electronic direct debiting procedure (MAV Pagamento mediante avviso) and transfers.

Besides the accelerated direct collection procedure, "RID veloce" was incorporated in the offer range. This is an Italy-wide standardised direct debiting procedure with immediate unpaid notification, suitable above all for the rapid collection of larger amounts.

In the last financial year, the long expected alignment of the postal cheque procedure to bank cheque processing was made with the same settlement standards and settlement days now being applied.

The foreign payment section is in a period of change. The abolishment of EC-cheques and the application of different payment systems in Euro countries, which are also differently used, caused uncertainty with customers during the introduction of the Euro in the foreign payments field. Until the definitive disappearance of national currencies, banks and central boards assumed a wait-and-see policy with respect to the extent of harmonisation of different payment flows.

As to payment and credit cards, it was noted that the demand for card and card-reader devices showed a continuous increase. This trend was further reinforced by the introduction of the Euro, as, above all in the initial conversion period when people had to adapt to the new currency, they allowed for faster payment.

Administration and Business Organisation Division

Main Administration Section

The Main Administrative Section particularly supported the company boards and was responsible for all administrative aspects of banking products and services offered.

The integration of Administrative Department personnel in charge of various projects aims at a proper and efficient settlement of projects, as well as an optimisation of work routines in terms of organisation and administration.

Findings and experience gained were again made available to the Raiffeisenkassen. In the financial year 2001, the Virtual Counter service was expanded to other Raiffeisenkassen branches. The main administration section assumed various administrative activities from the Raiffeisenkassen to give the latter more freedom to deal with customer service on the one hand and to bring about increased standardisation of internal workflows on the other.

Beyond this, the following tasks were fulfilled by the Main Administration Section in the financial year 2001:

- Organisation of accountancy, establishment and continuous optimisation of work routines, execution of all tasks referring to financial and investment accountancy, preparation of balance sheets;
- Clarification and support in tax law questions and completion of tax declarations;
- Contacts with authority representatives and reporting to Banca d'Italia;
- Various tasks relating to the administration of

individual customer positions and the monitoring of correspondence bank accounts.

- Support in administrative matters referring to the Company's participating interests;
- Carrying out controlling and analysis of decision-relevant information for individual sections and bodies of the company. This means in concrete terms, that divergences in target data, the development of interest and contribution margins, have to be continually analysed and communicated.

Main Resources Section

The main task of this department is to provide coordination and support to the numerous IT-projects, which are prepared and completed in collaboration with the Raiffeisenkassen and the Raiffeisenverband. In order to improve this collaboration, the IT committee of the Raiffeisen Finance Organisation RGO was established in the financial year 2001. In collaboration with the Raiffeisen Informationssystem (RIS, Raiffeisen Information System), the IT-committee is responsible for prioritising the IT-projects to be completed.

The organisational support of the bank focused on the administration of the priority list for IT-projects and the coordination of project work between the RIS as a software supplier and the individual internal sections.

Central tasks in this field were to carry out analysis, collaborate in the IT-technical work of the RIS, conduct necessary tests, prepare operating procedure descriptions and to draw up instruction sheets.

Collaboration with the committees of the Italian Banking Organisation (Associazione Bancaria Italiana) and the Commission for the

Rationalisation of the Interbanking Procedures (Convenzione Interbancaria per i Problemi dell'Automazione) was further developed.

Furthermore, the necessary resources in terms of IT equipment, technical means and organisational support were provided to the single main sections.

Specialist Departments

Legal Department

In the year 2000, the Legal Department continued its operative support to other departments. Legal advice was given to the Main Commerce Business Section (support in difficult to collect loan positions, handling of special cases in the course of credit investigations), for the Main Investment Business Section, (preparation and updating of contract documents for investment products which were also offered within the Raiffeisen Finance Organisation) as well as for the Main Payment Flows Section (amicable settlement of problem cases in the collection service between participating collection banks and their central giro centres inland and abroad).

The extra-judicial settlement of lost banker's drafts made out by Raiffeisenkassen was ensured.

Consulting and information activities for the Raiffeisenkassen continued to be carried out, whereby various legal and problem cases, occurring daily within the Raiffeisenkassen and relating to various banking services and products, were clarified and settled.

Risk Management and Internal Auditing

The target of this section is the development and implementation of adequate systems for identification, quantification and limitation of the various risks in the banking business. This includes the monitoring of risk positions and the analysis of related risk potential. The critical guideline is the conclusion of business, with the target of a long-term maximisation of operating results. An additional main focus is the support of current and planned projects concerning credit, liquidity or market risks. Risk Management is also an essential means for the Board of Directors to fulfil its duties in the area of "Risk culture – deliberate running of risks" at all organisational levels.

Another important activity was the support of the Supervisory Board in the performance of its inspection tasks, as well as in the preparation and presentation of quarterly risk surveys for the board of directors.

The daily Value-at-Risk (VAR) monitoring of the own securities portfolio continued to show its value. The monitoring and the reports were improved and automated as was also the case for other risk areas. Standard reporting was supplemented by ad-hoc risk analyses. Due to the continuing growth of loan business the activity focused on the management of credit risks. With a view to Basel II, a project for expanding the credit risk model was initiated.

The Internal Auditing Section focused on legal operating risks. In total, fourteen auditing reports were drawn up in different sections, suggestions for improvement were made and later implemented. Support was given to the external auditing company in the reconciliation of asset accounts, inventories and balance confirmations. Standard reporting was supplemented by ad-hoc-samples.

Personnel Administration, Secretariat, Marketing and Internal / External Administration

In the reporting year, this department handled all personnel matters and dealt with areas connected with training and education. Related secretarial activities and support for management was carried out by the Secretariat.

Besides providing the necessary support in the area of marketing and communication to the various sections of the company, the department participated in the organisation of activities of the Raiffeisen Investment Club.

Important Events After the Closure of the Financial Year 2001

After the closure of the financial year, there were no important events which could have any significant impact on the balance sheet results.

Relations with other Enterprises

No relations exist which allow for controlling dependent or affiliated enterprises, nor enterprises which depend on the latter.

The Forecasted Development of the Enterprise

In the financial year 2002 the RLB will again take as its main focus the support of its shareholders in their work and the provision of products and services corresponding to the needs of its members and customers under competitive conditions.

The experiences of the last two financial years have shown clearly that collaboration with the Raiffeisenkassen and the coordination work

carried out by the RLB represent best prerequisites for business success on both sides.

Apart from the provision of products and services in the banking field, the Raiffeisenkassen are increasingly provided with support in administrative areas as well as in risk management. This gives them the freedom to work the market and to form closer bonds with their customers. Another focus is the extension of consultancy services in the finance and investment business.

The market situation in the last financial year showed clearly that the close collaboration in the combine is an essential prerequisite for optimising structural costs and effectively using scale effects.

The increasing cost pressures on the banking system in general demand answers from the Raiffeisen Finance Organisation, and these have to be found within the combine. The autonomy of the Raiffeisenkassen and their corresponding close relations with customers provide an essential competitive edge and have to be supported by subsidiary structures. Hugely significant in this will be the part played by a uniform IT&DE platform and standardised procedures, which are prerequisites for further rationalisations and cost reductions. Within the newly established IT Committee, the RLB will play a decisive role in the selection and coordination of the development and use of IT&DE applications by the Raiffeisen Information System (RIS).

The RLB will continue to seek income sources which contribute to the self-financing of the bank, in order to bring about an overall improvement to operating results in favour of the Raiffeisenkassen.

Proposal for the Appropriation of Net Income

For the appropriation of net income in the financial year 2001 of 3,024,161 Euro the Board of Directors made the following proposal:

Legal Reserve (5%)	Euro	151,208
Extraordinary Reserve (20%)	Euro	604,832
Free Reserve	Euro	1,068,121
Dividend Payment	Euro	1,200,000
Net Profit for the Financial Year	Euro	3,024,161

Thanks of the Board of Directors

The Board of Directors expresses its thanks to all, who worked towards the achievement of the objectives of the Raiffeisen Finance Organisation and particularly those of the RLB.

To those responsible in all member cooperatives, we would like to express our thanks for their support. We would like to thank the Board of Directors' members, the Supervisory Board members, the managing directors and employees of the Raiffeisenkassen for their trust and collaboration. Our thanks is equally conveyed to direct customers and business partners.

In addition, the Board of Directors thanks the members of the Supervisory Authority, of the Raiffeisenverband Südtirol, the ICCREA Holding Spa, the National Association of the Italian Raiffeisenkassen (Federcasse) for their close collaboration, support and promotion of the concerns of the RLB.

We would like to express our special thanks to the Supervisory Board members, in the first instance to the President Karl Florian for his valuable and constructive cooperation.

A heartfelt thankyou is extended to the members of the management, the managers of the main sections, the executives and all other employees for their great efforts and conscientiousness.



*Dr. Michael Grüner presents the
Annual Report 2001*



Plenary Meeting 2001

Supervisory Board's Report

Dear Shareholders,

The balance sheet, presented for adoption at 31st of December 2001 consists of the asset and liability statement, the profit and loss account and the balance sheet notes and was prepared in accordance with the legal provisions of the Italian Civil Code (Codice Civile), as well as other legal obligations and the special provisions, which are determined by law in the banking field, and duly respecting GoB accounting principles. Annual closing of accounts was handed over in due time to the Supervisory Board and the Board of Directors.

Valuation principles and valuation criteria of assets and liabilities remained unchanged compared to the previous year and were fully explained in the balance sheet notes. They comply with legal provisions both in form and content.

Results of assets and liabilities in brief:



The management report of the Board of Directors complies with legal provisions both in form and content and sufficiently describes the course of business and expected development.

In the previous financial year 2000, the Supervisory Board fulfilled its monitoring function according to the mandate of the share-

Total Amount of Assets	Euro	1,060,057,973
Total Amount of Liabilities and of Various Provisions thereby:	Euro	1,060,057,973
- Liabilities and Various Provisions	Euro	972,338,396
- Share Capital	Euro	51,650,000
- other Own Assets	Euro	33,045,416
- Net Profit	Euro	3,024,161
Contingencies and Commitments	Euro	141,352,261

The annual profit of the financial year was calculated from the profit and loss account as follows:

Total Income	Euro	55,333,730
Total Expenses	Euro	52,309,569
Net Profit	Euro	3,024,161

holders' meeting and according to legal provisions and the articles of association of the RLB. This took place through the attendance of the Board of Directors' meetings, holding of own meetings, periodic stock controls, inspection of the company's books and other accounting records as well as by samplings of slips and documents. Further, the Supervisory Board received and in particular, the Supervisory Board confirms as follows:

- Listed marketable securities were evaluated at the lower of cost (LIFO continuo giornaliero) or market.
- To determine the market value of unlisted securities, the latter were divided into three groups:
 - a) Raiffeisenkassen Bonds: market value was determined by applying the 6-month Euribor at year-end.
 - b) Bonds from other issuers: market value was determined by applying the Rendib at year-end.
 - c) Shares in investment funds: market value corresponds to the value determined by the funds company at year-end.
- Write-ups and write-downs of the security holding were properly recorded with results from financial business.
- Securities included in financial fixed assets were evaluated at purchase cost (no decreases in value exist).
- Interest holdings were evaluated at cost of acquisition.
- Depreciations of movable and immovable fixed assets were calculated according to the legal

provisions and in correspondence with their remaining economic life.

- Amortisations on intangible fixed assets were effected according to legal provisions.
- Accruals and deferrals were registered in the balance sheet according to the accruals concept with the approval of the Supervisory Board.
- Provisions for severance payments for the employed personnel correspond to the matured claims according to law provisions and the collective-bargaining agreement by the closing date.
- Dues from banks and customers were evaluated according to their expected collectability and adjusted for a total value of Euro 137,350.
- The loan risk fund was increased by a total amount of Euro 2,213,122, thereof Euro 63,559 for default. Total provision was formed in application of valid tax provisions interest.
- Total provision was formed in application of valid tax provisions. Receivables and liabilities in foreign currency were registered in the balance sheet at the spot rate of the last working day of the financial year 2001, as published by the Banca d'Italia.
- The balance sheet accurately reports the revaluation funds for fixed assets by applying provisions no 72/83 and no. 408/90.
- Current and accrued/deferred taxes of the financial year were recorded according to directives and law provisions on an accrual basis.

The present balance sheet was confirmed by the auditing company, PriceWaterhouseCoopers AG, without objections. In the view of the of the Supervisory Board, the present balance sheet of the financial year 2001 was prepared in compliance with the principles of balance sheet validity and clarity.

The Supervisory Board recommends those attending the shareholders' meeting to approve the balance sheet of the financial year 2001 with the appendant management report and to approve to the Board of Management Directors' proposal for the appropriation of net income.

The Supervisory Board thanks the Board of Management Directors, the members of Head Office, the executives and all employees for their efforts and the successful work achieved. Further, it would like to thank the Raiffeisenkassen, the Economic Cooperatives, the Raiffeisenverband Südtirol, the Banca d'Italia and the customers of the RLB.

The Supervisory Board:

Karl Florian
David-Anton Kofler
Heinrich Eisendle

Chartered Accountant's Report



PricewaterhouseCoopers SpA
Società di Revisione e Certificazione

To the
RLB Board of Directors

1. We audited the annual closing of accounts of the company Raiffeisen Landesbank Südtirol AG on 31 December 2001. Whilst the Board of Directors is liable for the preparation of the balance sheet, it is our responsibility to give our professional judgement on the annual closing of accounts, based on the above-mentioned audit.
2. Our audit was planned and effected according to the auditing standards recommended by CONSOB, thus ensuring that the annual closing of accounts was free of significant errors and credible as a whole. The monitoring included sample examination of accounting documents which substantiate the balances and information contained in the annual closing of accounts, as well as the judgement of the adequacy and correctness of the accounting standards applied and the adequacy of the conclusions drawn by the company's Board of Directors. In our opinion, the work carried out offers a reasonable basis for issuing our audit certificate.

The annual closing of accounts of the shareholding company Alpenbank Innsbruck AG was audited by other chartered accountants, from whom we received the audit certificate. Our audit certificate is based on 43.7% of the value of participating interests and on 0.6% of the asset-side of the balance sheet audited by the other chartered accountants

Referring to the audit certificate for the annual closing of accounts of the previous year, the values of which were stated for comparison purposes according to legal provisions, we refer to the auditing report of Pricewaterhouse Coopers plc of 31 March 2001.

3. According to our judgement, the annual closing of accounts of the RLB at 31 December 2001 corresponds to the legal provisions on the preparation of closing accounts and the principle of fair presentation was fully applied in their preparation. The annual closing of accounts truthfully and properly reflects the company's position with respect to assets and liabilities, finance and income.

Trient, 5 April 2002

PricewaterhouseCoopers plc

A handwritten signature in black ink, appearing to read 'Maria Teresa Bernelli'.

Maria Teresa Bernelli
(Chartered Accountant)

Shareholders of the RLB (German names)

Raiffeisenkassen

Algund	Nals	Terlan
Andrian	Naturns	Tiers
Bozen	Niederdorf	Tirol
Branzoll-Auer	Obervinschgau	Tisens
Bruneck	Partschins	Toblach
Deutschnofen-Aldein	Passeier	Tschars
Eisacktal	Prad am Stilfserjoch	Überetsch
Gadertal	Riffian-Kuens	Ulten-St. Pankraz-Laurein
Hochpustertal	Ritten	Untereisacktal
Karneid-Steinegg	Salurn	Villnöss
Kastelruth	Sarnatal	Vintl
Laas	Schenna	Völs
Lana	Schlanders	Welsberg-Gsies-Taisten
Latsch	Schnals	Welschnofen
Leifers	Stilfes-Trens	Wipptal
Marling	St. Martin i. Passeier	Wolkenstein
Meran	Tauferer-Ahrntal	
Mölten	Taufers in Münster	

The Raiffeisenkassen hold more than 99.35% of the share capital.

Fruit Cooperatives

OGA - Algund	Naturns - Plaus	Ortler - Latsch
Melix Brixen	Neufrucht - Neumarkt	Kaiser Alexander - Leifers
SACRA - Eppan	UNIFRUT - Neumarkt	COFRUM - Marling
OGOL - Lana	POG - Partschins	TISOG - Tisens
Gargazon	GEOS - Schlanders	UVO - Tschars
Girland GOG - Bozen	OGS - Bozen	
CAFA - Meran	POMUS - Lana	
Nals	MIVO - Latsch	

Winery Cooperatives

Algund	Kurtatsch	St. Michael / Eppan
Andrian	Burggräfler KG	St. Pauls
Bozen	Meraner Kellereigenossenschaft	KG Kaltern
Girland	Schreckbichl - Girland	

Dairy Cooperatives

Milchhof Meran	MILA
Milchhof Sterzing	SENNI - Milchhof Bruneck
Sennereigenossenschaft Algund	Sennereigenossenschaft Innichen

Other Cooperatives

Südtiroler Haflinger Pferdeez.	Südtiroler Braunviehzuchtverband
Südtiroler Rinderzuchtverband	VOG - Bozen
Pustertaler Saatbaugen.	VOG - Leifers
OVEG - Eys	Raiffeisenverband Südtirol

Shareholders of the RLB (Italian names)

Casse Raiffeisen

Lagundo	Nalles	Terlano
Andriano	Naturno	Tires
Bolzano	Villabassa	Tirol
Bronzolo-Ora	Alta Venosta	Tesimo
Brunico	Parcines	Dobbiaco
Nova Ponente-Aldino	Val Passiria	Ciades
Valle Isarco	Prato allo Stelvio	Oltradige
Val Badia	Rifiano-Caines	Ultimo-S.Pancrazio-Lauregno
Alta Pusteria	Renon	Bassa Valle Isarco
Cornedo-Collepietra	Salorno	Funes
Castelrotto	Val Sarentino	Vandoies
Lasa	Scena	Fié
Lana	Silandro	Monguelfo-Casies-Tesido
Laces	Senales	Nova Levante
Laives	Stilves-Trens	Wipptal
Marlengo	S. Martino in Passiria	Selva Gardena
Merano	Tures-Aurina	
Meltina	Tubre	

The Raiffeisenkassen hold more than 99.35% of the share capital.

Fruit Cooperatives

OGA - Lagundo	Naturno - Plaus	Ortler - Laces
Melix Bressanone	Neufrucht - Egna	Kaiser Alexander - Laives
SACRA - Appiano	UNIFRUT - Egna	COFRUM - Marlengo
OGOL - Lana	POG - Parcines	TISOG - Tesimo
Gargazzone	GEOS - Silandro	UVO - Ciades
GOG - Cornaiano-Bolzano	OGS - Bolzano	MIVO - Laces
CAFA - Merano	POMUS - Lana	Nalles

Winery Cooperatives

Lagundo	Cortaccia	S. Michele / Appiano
Andriano	Marlengo	S. Paolo / Appiano
Bolzano	Merano	Caldaro
Cornaiano	Colterenzio - Cornaiano	

Dairy Cooperatives

Merano	MILA
Vipiteno	SENNI
Lagundo	S. Candido

Other Cooperatives

Fed. Prov. Allev. Cavalli Avelignese A. A.	Fed. Prov. Allevatori Bovini Razza Bruna
Fed. Allevatori Sudtirolesi Bestiame Razze Bovine	Cons. Coop. Ortofrutt. A.A. VOG - Bolzano
Coop. Prod. Sementi della Pusteria	Stabilimento Lavor. Frutta VOG - Laives
Coop. Prod. Agricoli Alta Venosta OVEG	Federazione Cooperative Raiffeisen

Outlets of the Raiffeisen Finance Organisation South Tyrol (German names)

ABI	Raiffeisenkasse	CAB	Comp. Headq.	CAB	Branch Office	CAB	Branch Office	CAB	Branch Office
8112	Algund	58460	Algund	58590	Gratsch	58469	Weingartnerstr.	58591	Meran, Rennweg
8015	Andrian	58150	Andrian						
8081	Bozen	11600	De-Lai-Str. 2	11601	Gries	58800	Jenesien	11603	Bozen Süd
				11605	Rathausplatz	11602	Europazone	11606	Rentsch
				11604	Bozen-Dorf	11607	Haslach	11608	Drususallee
				11609	Bozner Boden	11610	Am Obstplatz		
8033	Branzoll-Auer	58230	Branzoll	58670	Auer	59220	Montan		
8035	Bruneck	58242	Bruneck	58820	St. Lorenzen	58380	Pfalzen	58241	Reischach
				59040	Olang	58731	Antholz/Mittertal	59150	Percha
				58730	Rasen	58300	Kiens	58242	St. Georgen
				58244	Rienztor				
8162	Deutschnofen-Aldein	58660	Deutschnofen	58140	Aldein	58661	Eggen	59180	Altrei
				59010	Truden	58662	Obereggen		
8307	Eisacktal	58221	Brixen	59090	Vahrn	58770	Rodeneck	58644	Schabs
				58222	St. Andrä	58643	Natz	59120	Feldthurns
				58224	Milland	58225	Rosslauf		
8010	Gadertal	58340	Corvara	59130	Wengen	58830	St. Martin / Thurn	58341	Kolfuschg
				58180	Pedratsches	58550	St. Vigil in Enneberg	61170	Arabba
				58181	Stern	59131	Pederoa		
8020	Hochpustertal	58790	Innichen	58799	Vierschach	58910	Sexten / St. Veit	58919	Sexten / Moos
8065	Karneid-Steinegg	58320	Steinegg	58321	Kardaun	58322	Blumau		
8056	Kastelruth	23100	Kastelruth	23110	Seis	23120	Überwasser	23199	Seiser Alm
				23130	Runggaditsch				
8117	Laas	58500	Laas	58501	Eyrs				
8115	Lana	58490	Maria Hilfstr. 12	58290	Tschermers	58430	Gargazon	58491	Boznerstr. 48
				58711	Burgstall	59210	Vöran	58493	Niederlana
				59492	Völlan				
8110	Latsch	58450	Latsch	58451	Goldrain	58579	Martell		
8114	Leifers	58483	Franklinstr. 6	58481	St. Jakob	58482	Steinmannwald	89120	Pfatten
				58480	Kennedystr. 163				
8134	Marling	58560	Marling	58561	Gampenstr. 29				
8133	Meran	58590	Brunnenplatz 3	58170	Hafling	58591	Untermais	58592	Goethestr. 7/A
				58593	Pfarrplatz 23	58594	Handwerkerz.	58595	Petrarcastr. 14
8135	Mölten	58580	Mölten						
8155	Nals	58620	Nals						
8157	Naturns	58630	Naturns						
8302	Niederdorf	59100	Niederdorf	58200	Prags				
8066	Obervinschgau	58352	St. Valentin	58350	Graun	58540	Burgeis	58355	Reschen
				58541	Mals				
8175	Partschins	58690	Partschins	58691	Rabland				
8998	Passeier	58810	St. Leonhard	58610	Moos				
8183	Prad am Stilfserjoch	58720	Prad	58930	Schluderns	58949	Stilfs	58440	Glurns
				58940	Sulden				
8201	Riffian - Kuens	58750	Riffian						
8187	Ritten	58740	Klobenstein	58742	Oberbozen	58743	Unterinn		
8220	Salurn	58780	Salurn	58530	Margreid	58330	Kurtatsch	58370	Laag
				58371	Neumarkt				
8233	Sarnthal	58870	Sarnthein	58871	Astfeld				
8234	Schenna	58880	Schenna						
8244	Schlanders	58920	Schlanders	58921	Kortsch				
8239	Schnals	58900	Unser Frau	58909	Karthaus	58901	Kurzras		
8249	Stilfes - Trens	58260	Freienfeld						
8226	St. Martin in Passeier	58840	St. Martin						
8285	Tauferer-Ahrntal	59061	Luttach	58423	Uttenheim	58422	Gais	59064	Steinhaus
				58270	Mühlen	59060	St. Johann	58271	Sand in Taufers

ABI	Raiffeisenkasse	CAB	Comp. Headq.	CAB	Branch Office	CAB	Branch Office	CAB	Branch Office
8281	Taufers in Münster	59020	Taufers	58540	Laatsch				
8269	Terlan	58960	Terlan	58961	Vilpian	58962	Siebeneich		
8277	Tiers	58990	Tiers						
8278	Tirol	59000	Dorf Tirol	58590	Meran / Rennweg				
8273	Tisens	58980	Tisens	89130	St. Felix	58981	Prissian		
8080	Toblach	58360	Toblach	58369	Neu Toblach				
8060	Tschars	58280	Tschars	58281	Kastelbell				
8255	Überetsch	58160	St. Michael	58161	St. Pauls	58250	Kaltern	58163	Girland
				58162	Frangart	58970	Tramin	58251	Kaltern / Bahnhofstr.
				58164	Eppan / Bahnhofstr.				
8231	Ulten-St.Pankraz- Laurein	59030	St. Walburg	59031	St. Nikolaus	58510	Laurein	59170	Proveis
8113	Untereisacktal	58470	Lajen	58850	St. Pankraz				
8094	Villnöß	58410	St. Peter	58190	Barbian	59140	Villanders	58310	Klausen
8295	Vintl	59080	Vintl	58419	Teis				
				58959	Terenten	58760	Meransen		
8089	Völs	58390	Völs						
8148	Welsberg-Gsies-Taisten	58600	Welsberg	59070	Gsies	58601	Taisten		
8161	Welschnofen	58650	Welschnofen	35789	Karerpaß	58651	Romstraße 45	58660	Birchbruck
				35780	Vigo di Fassa	35270	Pera di Fassa		
8182	Wipptal	59110	Sterzing	59050	Wiesen	58210	Gossensaß		
8238	Wolkenstein	58890	Wolkenstein	58860	St. Christina	58680	St. Ulrich		
3493	Raiffeisen Landesbank Südtirol	11600	Bozen, Laurinstraße 1						

Outlets of the Raiffeisen Finance Organisation South Tyrol (Italian names)

ABI	Cassa Raiffeisen	CAB	Comp. Headq.	CAB	Branch Office	CAB	Branch Office	CAB	Branch Office
8112	Lagundo	58460	Lagundo	58590	Quarazze	58469	Via Weingartner	58591	Merano, Via Corse 42
8015	Andriano	58150	Andriano						
8081	Bolzano	11600	Via De-Lai 2	11601	Gries	58800	S. Genesio	11603	Bolzano Sud
				11605	P.zza Municipio	11602	Via Visitazione 29	11606	Rencio
				11604	Bolzano-Paese	11607	Via S. Vigilio 114	11608	Viale Druso 102
				11609	Piani di Bolzano	11610	P.zza Erbe		
8033	Bronzolo-Ora	58230	Bronzolo	58670	Ora	59220	Montagna		
8035	Brunico	58242	Brunico	58820	S. Lorenzo	58380	Falzes	58241	Riscone
				59040	Valdaora	58731	Anterselva di M.	59150	Perca
				58730	Rasun	58300	Casteldarne	58242	S. Giorgio
				58244	Via Città				
8162	Nova Ponente-Aldino	58660	Nova Ponente	58140	Aldino	58661	S.Nicoló d'Ega	59180	Anterivo
				59010	Trodene	58662	Obereggen		
8307	Valle Isarco	58221	Bressanone	59090	Varna	58770	Rodengo	58644	Sciaves
				58222	S. Andrea i.M.	58643	Naz	59120	Velturmo
				58224	Millan	58225	Zona Tiniga		
8010	Val Badia	58340	Corvara	59130	La Valle	58830	S. Martino/Badia	58341	Colfosco
				58180	Pedrares	58550	S.Vigilio Marebbe	61170	Arabba
				58181	La Villa	59131	Pederoa		
8020	Alta Pusteria	58790	S. Candido	58799	Versciaco	58910	Sesto / S. Vito	58919	Sesto / Moso
8065	Cornedo-Collepietra	58320	Collepietra	58321	Cardano	58322	Prato Isarco		
8056	Castelrotto	23100	Castelrotto	23110	Siusi	23120	Oltretorrente	23199	Alpe di Siusi
				23130	Roncadizza				
8117	Lasa	58500	Lasa	58501	Oris				
8115	Lana	58490	Via Madonna 12	58290	Cermes	58430	Gargazzone	58491	Via Bolzano
				58711	Postal	59210	Verano	58493	Lana di Sotto
				59492	Foiana				
8110	Laces	58450	Laces	58451	Coldrano	58579	Martello		
8114	Laives	58483	Via Franklin 6	58481	S. Giacomo	58482	Pineta di Laives	89120	Vadena
				58480	Via Kennedy				
8134	Marlengo	58560	Marlengo	58561	Via Palade 29				
8133	Merano	58590	P. Fontana 3	58170	Avelengo	58591	Maia Bassa	58592	Via Goethe 7/A
				58593	P.Parrocchia 23	58594	Zona Artigianale	58595	Via Petrarca 14
8135	Meltina	58580	Meltina						
8155	Nalles	58620	Nalles						
8157	Naturno	58630	Naturno						
8302	Villabassa	59100	Villabassa	58200	Braies				
8066	Alta Venosta	58352	S. Valentino	58350	Curon	58540	Burgusio	58355	Resia
				58541	Malles				
8175	Parcines	58690	Parcines	58691	Rablà				
8998	Val Passiria	58810	S. Leonardo	58610	Moso				
8183	Prato allo Stelvio	58720	Prato	58930	Sluderno	58949	Stelvio	58440	Glorenza
				58940	Solda				
8201	Rifiano - Caines	58750	Rifiano						
8187	Renon	58740	Collalbo	58742	Soprabolzano	58743	Auna di Sotto		
8220	Salorno	58780	Salorno	58530	Magrè	58330	Cortaccia	58370	Laghetti
				58371	Egna				
8233	Sarentino	58870	Sarentino	58871	Campolasta				
8234	Scena	58880	Scena						
8244	Silandro	58920	Silandro	58921	Corces				
8239	Senales	58900	Madonna di Sen.	58909	Certosa	58901	Maso Corto		
8249	Stilves - Trens	58260	Campo di Trens						
8226	S.Martino in Passiria	58840	S. Martino						
8285	Tures-Aurina	59061	Luttago	58423	Villa Ottone	58422	Gais	59064	Cadi Pietra
				58270	Molini di Tures	59060	S. Giovanni	58271	Campo Tures

ABI	Cassa Raiffeisen	CAB	Comp. Headq.	CAB	Branch Office	CAB	Branch Office	CAB	Branch Office
8281	Tubre	59020	Tubre	58540	Laudes				
8269	Terlano	58960	Terlano	58961	Vilpiano	58962	Settequerce		
8277	Tires	58990	Tires						
8278	Tirolo	59000	Tirolo	58590	Merano / Via delle Corse				
8273	Tesimo	58980	Tesimo	89130	S. Felice	58981	Prissiano		
8080	Dobbiaco	58360	Dobbiaco	58369	Dobbiaco				
8060	Ciardes	58280	Ciardes	58281	Castelbello				
8255	Oltradige	58160	S. Michele/App.	58161	S. Paolo/App.	58250	Caldaro	58163	Cornaiano
				58162	Frangarto	58970	Termeno	58251	Caldaro / Via Stazione
				58164	Appiano / Via Stazione				
8231	Ultimo-S.Pancrazio-Lauregno	59030	S. Valpurga	59031	S. Nicolò	58510	Lauregno	59170	Proves
				58850	S. Pancrazio				
8113	Bassa Val Isarco	58470	Laion	58190	Barbiano	59140	Villandro	58310	Chiusa
8094	Funes	58410	S. Pietro	58419	Tiso				
8295	Vandoies	59080	Vandoies	58959	Terento	58760	Maranza		
8089	Fié	58390	Fié						
8148	Monguelfo-Casies-Tesido	58600	Monguelfo	59070	Casies	58601	Tesido		
8161	Nova Levante	58650	Nova Levante	35789	P.sso Costalunga	58651	Via Carezza 15	58660	Ponte Nova
				35780	Vigo di Fassa	35270	Pera di Fassa		
8182	Wipptal	59110	Vipiteno	59050	Prati di Vizze	58210	Colle Isarco		
8238	Selva Gardena	58890	Selva Gardena	58860	S. Cristina	58680	Ortisei		
3493	Cassa Centrale Raiffeisen	11600	Bolzano, Via Laurin 1						

Raiffeisen Landesbank Südtirol AG

BALANCE SHEET

31st of December 2001



STATEMENT OF ASSETS AND LIABILITIES

	ASSETS	31/ 12/ 2001	31/ 12/ 2000
10	CASH BALANCE AND DUE FROM CENTRAL BANKS AND NATIONAL SAVINGS BANK	10,965,051	6,483,383
20	GOVERNMENT AND PUBLIC SECTOR SECURITIES, WHICH MAY BE USED FOR REFINANCING	23,918,873	37,649,567
30	DUE FROM BANKS	289,797,728	329,636,901
	a) due on demand	53,447,526	56,973,967
	b) other receivables	236,350,202	272,662,934
40	DUE FROM CUSTOMERS	363,139,863	312,896,983
	thereof:		
	- loans from funds administered by third parties	18,241,509	13,091,015
50	DEBENTURES AND OTHER NOTES	285,531,959	118,111,838
	a) from public issuers	173,114,288	89,712,912
	b) from banks	110,310,010	26,289,872
	thereof: Own bonds	62,593	519,432
	c) from finance companies	2,107,661	2,107,661
	d) from other issuers		1,393
60	SHARES AND OTHER NOT FIXED-INTEREST SECURITIES	27,213,433	26,359,706
70	PARTICIPATING INTERESTS	14,563,972	14,216,397
90	INTANGIBLE FIXED ASSETS	449,930	233,913
100	TANGIBLE FIXED ASSETS	6,673,180	6,883,050
130	OTHER ASSETS	32,280,393	31,046,619
140	ACCRUED REVENUE AND PREPAID EXPENSES	5,523,591	4,796,013
	a) accrued revenue	5,415,523	4,782,787
	b) prepaid expenses	108,068	13,226
	TOTAL ASSETS	1,060,057,973	888,314,370

STATEMENT OF ASSETS AND LIABILITIES

	EQUITY AND LIABILITIES	31/ 12/ 2001	31/ 12/ 2000
10	Due to banks	616,261,015	535,588,452
	a) due on demand	145,364,910	169,038,280
	b) with agreed term	470,896,105	366,550,172
20	DUE TO CUSTOMERS	134,931,342	110,203,009
	a) due on demand	121,893,797	104,777,634
	b) with agreed term	13,037,545	5,425,375
30	SECURITIZED LIABILITIES	161,914,426	108,474,367
	a) bonds	140,931,808	90,882,503
	b) deposit certificates	62,000	306,775
	c) other liabilities	20,920,618	17,285,089
40	THIRD PARTY FUNDS ADMINISTRATION	18,241,509	13,091,015
50	OTHER LIABILITIES	19,698,382	19,441,339
60	ACCRUED EXPENSES AND DEFERRED REVENUE	5,432,522	3,155,797
	a) accrued expenses	4,214,261	2,311,391
	b) deferred revenue	1,218,261	844,406
70	PROVISION FOR SEVERANCE PAYMENTS	4,045,786	3,759,821
80	PROVISION FOR RISKS AND COMMITMENTS	3,331,299	2,752,622
	b) tax provisions	2,844,105	2,669,988
	c) other provisions	487,194	82,634
90	PROVISION FOR LOAN RISKS	8,482,115	6,481,138
100	FUND FOR GENERAL BANKING RISKS	2,582,284	2,582,284
110	SUBORDINATED LIABILITIES	15,000,000	15,000,000
120	SUBSCRIBED CAPITAL	51,650,000	51,650,000
140	RESERVES	10,617,733	9,317,612
	a) legal reserves	5,738,110	5,639,534
	c) statutory reserves	2,850,376	2,456,073
	d) other reserves	2,029,247	1,222,005
150	REVALUATION RESERVES	4,845,399	4,845,399
170	RESULT FOR THE YEAR	3,024,161	1,971,515
	TOTAL LIABILITIES	1,060,057,973	888,314,370

STATEMENT OF ASSETS AND LIABILITIES

		31/ 12 2001	31/ 12 2000
10	CONTINGENCIES	108,273,629	91,737,648
	thereof:		
	- acceptances	1,489,396	1,483,121
	- guarantees and other liabilities	106,784,233	90,254,527
20	COMMITMENTS	33,078,632	14,562,987

PROFIT AND LOSS STATEMENT

		31/ 12/2001	31/ 12/2000
10	INTEREST AND OTHER INCOME	38,327,222	33,062,621
	thereof:		
	- interest from customers	20,350,255	16,615,860
	- interest on notes	9,122,307	7,593,968
20	INTEREST AND SIMILAR EXPENSES	-29,660,538	-23,002,063
	thereof:		
	- interest to customers	-3,233,238	-2,623,596
	- interest on debentures	-5,724,473	-3,748,518
30	DIVIDEND AND OTHER INCOME	360,104	336,946
	b) from participating interests	360,104	336,946
40	COMMISSION INCOME	10,220,842	12,620,153
50	COMMISSION EXPENSES	-3,140,514	-4,413,521
60	INCOME/LOSSES FROM FINANCIAL BUSINESS TRANSACTIONS	4,475,984	1,113,661
70	OTHER (OPERATING) INCOME	1,474,534	1,567,710
80	GENERAL ADMINISTRATIVE EXPENSES	-13,245,298	-13,214,431
	a) staff costs	-7,834,110	-7,732,201
	thereof:		
	- wages and salaries	-5,246,902	-5,325,172
	- social insurance contributions	-1,486,806	-1,525,124
	- provision for severance payments	-467,024	-484,422
	- provision for supplementary pension fund	-163,826	-397,483
	b) other administrative expenses	-5,411,188	-5,482,230
90	VALUATION ALLOWANCES FOR FIXED ASSETS	-729,406	-618,211
100	PROVISION FOR FUTURE RISKS AND EXPENSES	-413,166	
120	VALUATION ALLOWANCE FOR ACCOUNTS RECEIVABLE AND TRANSFERS TO PROVISIONS FOR CONTINGENCIES AND FOR CREDIT RISKS	-137,350	-1,290,234
130	INCOME FROM RETRANSFER OF VALUATION ALLOWANCE FOR ACCOUNTS RECEIVABLE AND FROM PROVISIONS FOR CONTINGENCIES AND FOR CREDIT RISKS	57,454	49,690
140	PROVISION FOR CREDIT RISKS	-2,213,422	-689,334
170	OPERATING RESULT	5,376,446	5,522,987
180	EXTRAORDINARY INCOME	417,590	150,812
190	EXTRAORDINARY EXPENSES	-15,467	-30,241
200	EXTRAORDINARY RESULTS	402,123	120,571
210	VARIATIONS OF THE FUND FOR GENERAL BANK RISKS		-1,032,914
220	TAX ON OPERATING RESULT	-2,754,408	-2,639,129
230	OPERATING RESULT	3,024,161	1,971,515

BALANCE SHEETS NOTES

Part A - Valuation

- Section 1 - Comments on Valuation Criteria
- Section 2 - Adjustments and Tax Provisions

Part B - Notes to Statement of Assets and Liabilities

- Section 1 - Receivables
- Section 2 - Securities/Notes
- Section 3 - Participating Interests
- Section 4 - Tangible Fixed Assets and Intangible Fixed Assets
- Section 5 - Other Asset Items
- Section 6 - Liabilities
- Section 7 - Provisions
- Section 8 - Capital, Reserves, Fund for General Banking Risks
- Section 9 - Other Liabilities
- Section 10 - Contingencies and Commitments
- Section 11 - Concentration and Allocation of Assets and Liabilities
- Section 12 - Administration and Intermediary Business for Third Parties

Part C - Notes to the Profit and Loss Account

- Section 1 - Interest
- Section 2 - Commissions
- Section 3 - Income and Expenses from Financial Activity
- Section 4 - Administrative Expenses
- Section 5 - Valuation Allowances, Adjustments and Provisions
- Section 6 - Other Items of the Profit and Loss Account
- Section 7 - Other Details of the Profit and Loss Account

Part D - Further Details

- Section 1 - Board of Directors and Supervisory Board Members

Balance Sheet Supplements

1. Statement of Own Assets and Variations
2. Statement of the Revaluation of Immovable Properties
3. Listing of Investments at 31st of December 2001

Explanatory Notes

For the sake of clarity the pagination of Banca d'Italia was retained for the single statements.

The schedules which were not seen as important for the RLB were not displayed.

Balance Sheet Notes: Part A

Structure and Contents of the Balance Sheet

The annual balance sheet 2001 consists of the asset and liability statement, the profit and loss account and of the present balance sheet notes. It is also supplemented by the Board of Directors' management report, as required by law, decree no. 87/92, on annual balance sheets and consolidated bank balance sheets. Balance sheet notes serve to explain the contents of the balance data and supply supplementary information, required to correctly represent the asset and financial situation of the bank. All data, included in this balance sheet supplement are shown in million EURO.

Valuation

Valuation Concepts

The balance sheet of the financial year 2001 was prepared according to current legal provisions and according to the GoB accounting principles, as defined by the "Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri" and by the "International Accounting Standards Committee - I.A.S.C."

All valuations carried out were based on the assumption of the business activity being continued.

Above all:

a) no earnings, which were not actually achieved, were reported

b) profits and losses were attributed to the financial year according to the accruals concept.

The valuation standards mentioned below were agreed with the Supervisory Board, if required by legal regulations.

Furthermore the Board of Directors confirms, that the accounting fully reflects business transactions carried out during the previous year.

Section 1 - Comments on Valuation Criteria

Receivables, Liabilities, Guarantee Credits and Commitments to Customers

Due from customers were evaluated at the estimated amount which is expected to be collected.

This value was determined by taking into consideration the solvency of the part which is liable.

Devaluations of receivables were directly subtracted from the respective asset items.

If the reasons for devaluation of a loan proves to be false in the following financial years, the original loan value is re-established by write-down reversal.

Due to customers were evaluated at nominal value.

These valuation criteria were also applied to the valuation of guarantee credits and similar commitments, which entail a credit risk.

Securities and Business Deals "Below the Line"

a) Marketable securities:

Marketable securities were evaluated at the lower of cost (LIFO continuo giornaliero) or market.

For listed securities, this market value corresponds to the arithmetic average of the prices, achieved during the last month of the financial year.

For determining the market value of unlisted securities, the latter were divided into three groups:

1) Raiffeisenkassen bonds: market value was determined by applying the 6-month Euribor at year-end.

2) Bonds from other issuers: market value was determined by applying the Rendib at year-end.

3) Shares in investment funds: market value corresponds to the value determined by the funds company at year-end.

b) Securities of Financial Assets:

Securities of financial assets were evaluated at purchase price. Investments were carried out on strategic considerations.

Devaluations effected in previous financial years are being recovered through write-down reversals, if the reasons for devaluation do not apply any longer.

Security repurchase agreements with repurchase obligation were entered as deposits.

The costs of these were shown according to the principle of economic relatedness in the corresponding interest-expense positions of the profit and loss account.

Derivative Contracts (excluding those in foreign currency):

Derivative contracts which remained outstanding at the day of closure of the financial year were concluded for the covering of interest risks on the liability side.

These contracts were posted and evaluated in accordance with the posting and evaluation of the liability items covered. The differences in respect to these contracts were recorded in the profit and loss statement according to the accruals concept and in accordance with the economic impact of the liability items covered.

Participating Interests

Participating interests belong to financial assets and were evaluated at the cost of acquisition.

Participating interests have mostly strategic character and serve for expanding the business activity.

In the case of permanent diminutions in value the purchase price of participating interests is correspondingly corrected.

Dividends and corresponding tax credits are shown in the balance sheet according to the cash method of accounting.

Assets and Liabilities in Foreign Currency

Asset and liability holdings in foreign currency were evaluated at the spot rate of the last working day of the year 2001 (prices published by Reuters).

Forward currency transactions and derivative contracts in foreign currency were effected for trading- and not for cover purposes. Therefore the valuation was effected at forward prices according to their remaining maturity.

Expenses and income from foreign currency trades were evaluated at the spot rate of the last working day and include adjustments of balances in foreign currency at year-end.

Tangible Fixed Assets and Intangible Fixed Assets

Tangible fixed assets were evaluated at acquisition costs, including the directly attributable costs and applying the specific legal provisions concerning upward revaluation.

Depreciations were effected at constant depreciation rates and directly detracted from tangible fixed assets.

Depreciation rates were determined on the basis of their economical-technical use, which takes into account the technical obsolescence and the remaining expected useful life.

For the IT-equipment purchased in the last three years, both regular depreciation and accelerated depreciation were applied, to take into account the faster technical-economic wear and tear.

Excluding immovable property, accelerated depreciation was applied within the limits of income tax provisions to benefit from the related tax advantages.

With the approval of the Supervisory Board, intangible fixed assets were evaluated at their price of acquisition and amortized at constant amortization rates.

The book basis of these intangible fixed assets was corrected by applying the direct method of amortization.

Due from Banks and Due to Banks

Due from banks were evaluated at the expected collectability value by considering the solvency of debtors.

Due to banks were evaluated at nominal value.

Other Receivables and Liabilities

Other receivables and liabilities were evaluated at nominal value. For receivables this value is equivalent of the predicted collectability value.

Accruals and Deferrals

Accruals and deferrals refer to proceeds and expenses applying to two or more financial years and serve to respect the accruals concept.

Provisions for the Severance Payments Fund

Provisions for the severance payments fund were set up according to staff severance claims accumulated by the 31st of December 2001, in accordance with legal provisions in force, the national collective agreement and supplementary agreements.

Provision for Loan Risks

The fund for loan risks consists of the provisions of the current and the previous year. Provisions of the current year were formed to provide for risks and serve to cover eventual loan risks. These funds have no reporting function.

Tax Provisions

Tax provisions were formed in accordance with legal provisions in force. Taxes of the financial year were shown in the balance sheet according to the accruals concept. Applying valuation principles for guarantee credits and similar commitments, a provision for future risks was formed for the first time.

Fund for General Banking Risks

The fund for general banking risks serves for covering the business risk and was therefore added to the net worth.

Accrued and Deferred Taxes

In application of the Generally Accepted Accounting Principles no. 25 of the International Accounting Standards (IAS) no. 12 and the decree of Banca d'Italia of 3rd of September 1999, accrued and deferred taxes were shown in the balance sheet. With the aforementioned decree, a complete accordance in time between taxes of the financial year and expenses and earnings, producing the operating result of the reporting period, is attempted.

Due to these new regulations, along with deferred taxes which come within the competence of the referring financial year and which are paid in the following financial years, also prepaid taxes are entered. This refers to taxes, paid on expenses, which can only be deducted in future financial years.

The calculation of prepaid taxes, was effected separately for both IRPEG (corporate income tax) and IRAP (capital appreciation regional tax).

Assets from prepaid taxes were shown in the item "Other assets" of the balance sheet, if their collectability was reasonably likely, i.e. if there was a realistic prospect of future taxable income to a sufficient extent.

The respective impacts were shown in the profit and loss account in the item "Tax on operating result".

Modification of Valuation Criteria Compared to the Financial Year 2000

The valuation criteria remained unchanged compared to the previous year.

Section 2 - Adjustments and Tax Provisions

Valuation Allowances effected exclusively by Application of Tax Law Provisions

- 2.1. In the financial year 2001 and in the previous financial years, accelerated depreciations were applied to immovable properties, furnitures and fixtures and machines and technical equipment **with the exception of IT equipment**, in order to make use of the related tax benefits.
- In the present financial year and in the previous financial years, these depreciations were calculated with the highest rates permissible under tax law, according to the following statement:

	Previous Financial Year	Financial Year 2001	Total
Accelerated Depreciations	2,142	35	2,177

If in the financial year 2001 and in the previous financial years depreciations had been calculated with the regular depreciation rate, IT equipment not included and upward revaluations of immovable properties of previous years subtracted, the depreciation fund at the 31st of December 2001 would decrease by Euro 592 and depreciations of the financial year 2001, not considering tax impacts, would increase by Euro 10.

Provisions which were formed exclusively by Application of Tax Law Provisions

No provisions were set up in the financial year 2001.

Details of Asset and Liabilities Statement

Section 1 - Receivables

For a better understanding, the following items are explained in detail:

1.1. Details of the Asset Item 30 "Due from Banks"	16,539
a) Due from "Banca d'Italia"	16,539
b) Refinanceable bills	0
c) Receivables from repurchase agreements	0
d) Lending on securities	0

Details of the Item 30 "Due from Banks"

289,798

Due from banks consisted of the following:

Due from central banks	16,539
Correspondence bank accounts	32,604
Free deposits	20,750
Blocked deposits	219,379
Non-performing positions	4,649
Valuation allowances	-4,216
Others	93

These balance sheet items showed a decrease of 39,839 thousand Euro, or 12.09%. Due to the negative trend in stock markets, direct deposits with Raiffeisenkassen developed better than in the previous year. Correspondingly, their refinancing requirements from the RLB decreased. The most striking variations were recorded in due from central banks and in blocked deposits.

Details of Asset and Liabilities Statement

Section 1 - Receivables

1.2. Details of the Asset Item 40 "Due from Customers"	2,708
a) Refinanceable bills	2,708
b) Receivables from repurchase agreements	0
c) Lending on securities	0

Structure of the Item 40 "Due from Customers" **363,140**

Due from Customers consisted of the following:

Refinanceable bills	2,708
Receivables from repurchase agreements	85,011
Lending on securities	108,318
Loans and other lendings	146,598
Non-performing positions	2,683
Other receivables	593
Valuation allowances	-1,012
Loans from funds managed by third parties	18,241

Compared to the previous year, this balance item showed a rise of 50,243 thousand Euro, or 16.06%.

This increase can be broken down into the following technical credit types:

Advances/financing 12,640 thousand Euro, current account credits 17,259 thousand Euro and loans and other lendings of 18,799 thousand Euro. Doubtful net loans amounted to 1,671 thousand Euro, i.e. 0.46% of the net due from customers.

1.3. Secured Due from Customers	230,946
a) by mortgage	152,261
b) by pawn on:	4,813
1) Cash deposits	3,667
2) Securities	1,146
3) Other values	0
c) by guarantee:	73,872
1) from the state	0
2) from other public corporations	0
3) from banks	7,833
4) Others	66,039

The figures stated in the above mentioned table refer only to the credit volume covered by provision of security.

Details of Asset and Liabilities Statement

Section 1 - Receivables

1.4. Non-Performing Loans (including default interest)		2,103
a) Non-performing receivables	2,103	

Doubtful customer and bank receivables were stated at the expected recoverable amount.

Direct valuation allowances amounted to 5,229 thousand Euro.

1.5. Receivables from Default Interest		1,023
a) Interest on non-performing receivables	118	
b) Other default interest	905	

The reported default interest was stated at its expected recovery value.

The corresponding valuation allowance amounted to 98 thousand Euro.

1.6. Situation of Due from Customers at 31.12.2001	Gross Indebtedness	Total Value Allowance	Net Indebtedness
A. Doubtful receivables	14,949	-1,012	13,937
A.1. Non-performing receivables (sofferenze)	2,683	-1,012	1,671
A.2. Receivables at risk (incagli)	12,266	0	12,266
A.3. Receivables being restructured (crediti in corso di ristrutturaz.)	0	0	0
A.4. Restructured receivables (crediti ristrutturati)	0	0	0
A.5. Unsecured receivables with country risk	0	0	0
B. Receivables which follow ordinary procedure	349,203	0	349,203

Rating and valuation of due from customers is effected continuously and according to the directions of the supervisory authority. Monitoring of doubtful accounts is effected in collaboration among the Credit Investigation, Legal Department and Risk Management Sectors. Compared to the previous year, receivables at risk increased by 4,915 thousand Euro, or 66.86%.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 1 - Receivables

1.7. Dynamics of Doubtful Receivables f. Customers	Non-performing receivables	Receivables at risk	Loans being restructured	Restructured receivables	Receiv. with country risk	
A. Gross Indebtedness 01.01.01	3,273	7,351	0	0	0	
A.1. thereof for default interest	267	0	0	0	0	
B Additions	1,306	6,484	0	0	0	
B.1. Additions from regular receivables	102	5,789	0	0	0	
B.2. Default interest	105	12	0	0	0	
B.3. Transfers from other cat. of doubtful receivables	1,099	0	0	0	0	
B.4. Other additions	0	683	0	0	0	
C Disposals	1,896	1,569	0	0	0	
C.1. Disposals of regular receivables	0	106	0	0	0	
C.2. Repayments	620	0	0	0	0	
C.3. Collections	1,224	57	0	0	0	
C.4. Proceeds from sales	0	0	0	0	0	
C.5. Transfers to other categories of doubtful receivables	0	1,099	0	0	0	
C.6. Other disposals	52	307	0	0	0	
D. Gross Indebtedness 31.12.01	2,683	12,266	0	0	0	
D.1. thereof for default interest	216	12	0	0	0	

1.8. Dynamics of Allow. for Receivables f. Customers	Non-performing receivables	Receivables at risk	Loans being restructured	Restructured receivables	Receiv. with country risk	Regular receivables
A. Valuation Allowance 01.01.01	1,532	0	0	0	0	0
A.1. thereof for default interest	61	0	0	0	0	0
B Additions	100	0	0	0	0	0
B.1. Valuation allowances	100	0	0	0	0	0
B.1.1. thereof for default interest	41	0	0	0	0	0
B.2. Appropriation of loan loan risk provisions	0	0	0	0	0	0
B.3. Transfers from other loan categories	0	0	0	0	0	0
B.4. Other additions	0	0	0	0	0	0
C Disposals	620	0	0	0	0	0
C.1. Valuation allowance relating to valuations	27	0	0	0	0	0
C.1.1. thereof for default interest	0	0	0	0	0	0
C.2. Valuation allowance relating to collections	31	0	0	0	0	0
C.2.2. thereof for default interest	0	0	0	0	0	0
C.3. Repayments	562	0	0	0	0	0
C.4. Transfers to other categories of doubtful receivables	0	0	0	0	0	0
C.5. Other disposals	0	0	0	0	0	0
D. Valuation Allowance 31.12.01	1,012	0	0	0	0	0
D.1. thereof for default interest	98	0	0	0	0	0

Details of Asset and Liabilities Statement

Section 1 - Receivables

1.9. Situation of Due from Banks at 31st of December 2001	Gross Indebtedness	Total Val. Allowance	Net Indebtedness
A. Doubtful Receivables	4,649	-4,216	433
A.1. Non-performing receivables (sofferenze)	4,649	-4,216	433
A.2. Receivables at risk (incagli)			
A.3. Receivables being restructured (crediti in corso di ristrutturazione)			
A.4. Restructured receivables (crediti ristrutturati)			
A.5. Unsecured receivables with country risk			
B. Receivables which follow ordinary procedure	289,365	0	289,365

1.10. Dynamics of Doubtful Receivables from Banks	Non-performing receivables	Receivables at risk	Loans being restructured	Restructured receivables	Receiv. with country risk
A. Gross Indebtedness 01.01.01	4,649	0	0	0	0
A.1. thereof for default interest	0	0	0	0	0
B Additions	0	0	0	0	0
B.1. Additions from regular receivables	0	0	0	0	0
B.2. Default interest	0	0	0	0	0
B.3. Transfers from other cat. of doubtful receivables	0	0	0	0	0
B.4. Other additions	0	0	0	0	0
C Disposals	0	0	0	0	0
C.1. Disposals of regular receivables	0	0	0	0	0
C.2. Repayments	0	0	0	0	0
C.3. Collections	0	0	0	0	0
C.4. Proceeds from sales	0	0	0	0	0
C.5. Transfers to other categories of doubtful receivables	0	0	0	0	0
C.6. Other disposals	0	0	0	0	0
D. Gross Indebtedness 31.12.01	4,649	0	0	0	0
D.1. thereof for default interest	0	0	0	0	0

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 1 - Receivables

1.11. Dynamics of Allow. for Receivables from Banks	Non-performing receivables	Receivables at risk	Loans being restructured	Restructured receivables	Receiv. with country risk	Regular receivables
A. Valuation Allowance 01.01.01	4,138	0	0	0	0	0
A.1. thereof for default interest	0	0	0	0	0	0
B Additions	78	0	0	0	0	0
B.1. Valuation allowances	78	0	0	0	0	0
B.1.1. thereof for default interest	0	0	0	0	0	0
B.2. Appropriation of loan loan risk provisions	0	0	0	0	0	0
B.3. Transfers from other loan categories	0	0	0	0	0	0
B.4. Other additions	0	0	0	0	0	0
C Disposals	0	0	0	0	0	0
C.1. Valuation allowance relating to valuations	0	0	0	0	0	0
C.1.1. thereof for default interest	0	0	0	0	0	0
C.2. Valuation allowance relating to collections	0	0	0	0	0	0
C.2.2. thereof for default interest	0	0	0	0	0	0
C.3. Repayments	0	0	0	0	0	0
C.4. Transfers to other categories of doubtful receivables	0	0	0	0	0	0
C.5. Other disposals	0	0	0	0	0	0
D. Valuation Allowance 31.12.01	4,216	0	0	0	0	0
D.1. thereof for default interest	0	0	0	0	0	0

Additional Details in Relation to Loans to Customers

Please note, that the bank:

- has no subsidized home loans relating to the legal provisions on "re-negotiations of subsidized loans" (disposizioni per la re-negoziazione dei mutui agevolati) according to article 29 of law no. 133 of 13th May 1999 and article 145, paragraph 62 of financial law for 2001;
- has no fixed-interest loans, referring to the legal provisions of decree no. 394 of 29th December 2000, for which modified interest rates have to be applied.

Referring to the phenomenon of interest on matured interest, (anatocismo) the RLB always acted according to the position expressed by the ABI Technical Law Commission (Commissione Tecnica Legale dell'ABI), taking into consideration the many years of jurisdiction of the Supreme Court of Justice (Corte di Cassazione) in the field of current account banking transactions. Please note, that from 1st July 2000, interest expenses and interest income have been capitalized at the frequency prescribed by art. 25 of D. lgs. n. 342/1999.

Details of Asset and Liabilities Statement

Section 2 - Securities

2.1. Securities of Financial Assets		Book basis	Market val.
1.	Notes	10,940	10,940
1.1.	Government securities	0	0
	- listed	0	0
	- unlisted	0	0
1.2.	Other notes	10,940	10,940
	- listed	0	0
	- unlisted	10,940	10,940
2.	Shares and other not fixed-interest securities	25,000	25,408
	- listed	0	0
	- unlisted	25,000	25,408
Total		35,940	36,348

Based on a concept of improvement and stabilization of yields from bank-owned security holdings, 25 million Euro were invested in a professionally managed special fund. This fund was mentioned/quoted under point 2 "Capital instruments". Fixed-interest securities referred to convertible bonds of ICCREA-Holding S.p.A. and of Investitionsbank Trentino Südtirol.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 2 - Securities

2.2. Purchases and Sales of Financial Asset Securities			
A.	OPENING INVENTORIES		35,940
B.	Increases		0
B1.	Additional Purchases	0	
	- Notes		
	- Government securities	0	
	- Other securities	0	
	- Shares and other not fixed-interest securities	0	
B2.	Write-down reversals	0	
B3.	Transfers from marketable securities	0	
B4.	Other variations	0	
C.	Decreases		0
C1.	Sales	0	
	- Notes		
	- Government securities	0	
	- Other securities	0	
	- Shares and other not fixed-interest securities	0	
C2.	Repayments	0	
C3.	Write-downs	0	
C4.	Transfers from marketable securities	0	
C5.	Other variations	0	
D.	CLOSING BALANCES		35,940

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 2 - Securities

2.3. Marketable Securities	Balance value	Market value
1. Notes	298,511	302,095
1.1. Government securities	197,033	197,087
- listed	197,033	197,087
- unlisted	0	0
1.2. Other notes	101,478	105,008
- listed	1,002	1,006
- unlisted	100,476	104,002
2. Shares and other not fixed-interest securities	2,213	2,430
- listed	0	0
- unlisted	2,213	2,430
Total	300,724	304,525

These securities were entered under item 20 "Government and public securities, which may be used for refinancing" as 23,919 thousand Euro, under item 50 "Bonds and other notes" as 274,592 thousand Euro and under item 60 "Shares and other not fixed-interest securities" as 2,213 thousand Euro.

The book bases include devaluations effected at year-end of 870 thousand Euro and write-down reversals of 129 thousand Euro.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 2 - Securities

2.4. Purchases and Sales of Marketable Securities		
A.	OPENING INVENTORIES	146,181
B.	Increases	913,817
B1.	Additional purchases	912,618
	- Notes	
	- Government securities	716,114
	- Other securities	193,922
	- Shares and other not fixed-interest securities	2,582
B2.	Write-down reversals	129
B3.	Transfers from marketable securities	0
B4.	Other variations	1,070
C.	Decreases	759,274
C1.	Sales	758,382
	- Notes	
	- Government securities	647,254
	- Other securities	110,241
	- Shares and other not fixed-interest securities	887
C2.	Repayments	
C3.	Write-downs	870
C4.	Transfers from marketable securities	0
C5.	Other variations	22
D.	Closing balances	300,724

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 3 - Participating Interests

3.1. Signific. Particip. Interests	Comp. Headq.	Net worth	Profit/Loss	Share %	Book basis
Company Name					
a) Controlled Companies					
b) Companies under controlling influence					
1. ALPENBANK AG	INNSBRUCK	11,575	21	32.75%	6,359

These values refer to the approved balance sheet of the financial year 2000.

3.3. Assets/Liabilities to Companies, which are subjected to Significant Influence	
a) Assets	302
1) Due from banks	302
thereof:	
- subordinated	0
2) Due from financial companies	0
thereof:	
- subordinated	0
3) Due from other customers	0
thereof:	
- subordinated	0
4) Debentures and other notes	0
thereof:	
- subordinated	0
b) Liabilities	5
1) Due to banks	5
2) De to financial companies	0
3) Due to other customers	0
4) Securitized liabilities	0
5) Subordinated liabilities	0
c) Guarantees and Commitments	0
1) Guarantees	0
2) Commitments	0

In accordance with Banca d'Italia's directives in force, the presentation of assets and liabilities of companies in which the RLB has a minor participating interest, was omitted.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 3 - Participating Interests

3.4. Structure of the Asset Item 70 "Participating Interests"		14,564
a) In banks		9,617
listed	0	
unlisted		
- INVESTITIONSBANK TRENINO - SÜDTIROL	1,903	
- BANCA AGRILEASING	1,355	
- ALPENBANK AG	6,359	
b) In financial companies		4,749
listed	0	
unlisted		
- FONDS ZUR SICHERUNG DER EINLEGER	1	
- ICCREA HOLDING AG	4,690	
- SERVIZI INTERBANCARI	58	
c) Other participating interests		198
listed	0	
unlisted		
- RAIFFEISENVERBAND SÜDTIROL	3	
- SWIFT	5	
- SIA	-	
- SITEBA	7	
- SSB	12	
- ZENTRUM FÜR REGIONALE ZUSATZRENTEN	104	
- BIC - Bozen	62	
- RAIFFEISEN-ONLINE	5	

Participating interests were shown at purchase price in the balance sheet. There is no control exercised on the companies stated. The operating result of the above listed companies made it possible to maintain their book bases. A detailed list of participating interests at 31st of December 2001 was included in the balance sheet supplement no. 3.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 3 - Participating Interests

3.6. Variations of Participating Interests in the Year 2000	
3.6.2 Other participating interests	
A) Opening inventories	14,216
B) Additions	348
B1. Purchases	348
B2. Write-down reversals	0
B3. Write-ups due to appreciation	0
B4. Other variations	0
C) Disposals	0
C1. Sales	0
C2. Valuation allowances	0
thereof devaluations	0
C3. Other variations	0
D) Closing balances	14,564
E) Total write-ups for appreciation	0
F) Total valuation allowances	0

In the reporting year, the following important variations took place:

- Exercise of the subscription right in the course of the capital increase of Banca Agrileasing S.p.A.

Details of Asset and Liabilities Statement

Section 4 - Tangible Fixed Assets and Intangible Fixed Assets

4.1. Variations of Tangible Fixed Assets in the Year 2001	Immov. Prop.	Movables
A) Opening inventories	6,630	255
- Book value	10,763	4,793
- Depreciation according to funds	-4,133	-4,538
- Book basis	6,630	255
B) Increases	0	833
B1. Purchases	0	363
B2. Write-ups due to appreciation	0	0
B3. Upward revaluations	0	0
B4. Other variations	0	470
C) Decreases	-323	-722
c1. Sales	0	-470
c2. Valuation allowances		
a) Depreciations	-323	-252
b) Devaluations on an ongoing basis	0	0
c3. Other variations	0	0
D) Closing balances	6,307	366
E) Total upward revaluations	0	0
F) Total adjustments		
a) Valuation allowances	4,456	4,321
b) Devaluations on an ongoing basis	0	0

Depreciation rates were determined as percentages, which take into account the wear and tear degree of assets. Accelerated depreciation was applied to furnitures and fixtures in order to achieve the best possible tax benefits. According to the law no. 72, art. 10 of 19th of March 1983, the detailed statement of immovable properties in ownership is included in the balance sheet supplement no. 2, from which the write-ups due to appreciation effected in the past become apparent.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 4 - Tangible Fixed Assets and Intangible Fixed Assets

4.2. Variations of Intangible Fixed Assets in the Year 2001	
A) Opening inventories	234
B) Increases	372
b1. Purchases	372
b2. Write-ups due to appreciation	0
b3. Upward revaluations	0
b4. Other variations	0
C) Decreases	-156
c1. Sales	0
c2. Valuation allowances	0
a) Depreciations	-156
b) Devaluations on an ongoing basis	0
c3. Other variations	0
D) Closing balances	450
E) Total upward revaluations	0
F) Total adjustments	
a) Valuation allowances	-531
b) Devaluations on an ongoing basis	0

Within the meaning of the law decree no. 87/92, art. 10 and with explicit authorization of the Supervisory Board, the above stated multi-annual costs were included in the assets for the balance sheet.

4.2.a) Details for the Asset Item 90 "Intangible Fixed Assets"		450
1. Costs for EDP-application software		450
- Original value	981	
- Amortizations	-531	

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 5 - Other Asset Items

5.1. Structure of the Asset Item 130 "Other Assets"	32,280
a) Tax receivables	1,873
b) Tax prepayments	3,044
c) Incurred tax withholdings	10
d) Banker's drafts to be processed, drawn on third parties	1,195
e) stamp values	0
f) Security deposits	93
g) Receivables from local authority contributions	0
h) Interest/Charge debits to be effected	0
i) Clearing service with Banca d'Italia	0
j) Clearing service with Banca d'Italia - Cheques processing	13,857
l) Other various debtors	12,208

Compared to the previous year, this balance sheet item showed an increase of 1,234 thousand Euro, or 3.97 %.

5.2. Structure of the Asset Item 140 "Accrued Revenue and Prepaid Expenses"	5,524
a) Accrued revenue	5,416
- accrued interest on securities	3,087
- accrued interest on securities pledged under repurchase agreements	0
- accrued interest on current accounts, loans and financing	1,045
- accrued interest on deposits	458
- accrued commissions and charges	0
- accrued premiums on derivative business	826
b) Prepaid expenses	108
- prepaid interest	76
- prepaid charges	32

Compared to the previous year, this balance sheet item recorded an increase of 728 thousand Euro, or 15.18%.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 5 - Other Asset Items

5.4. Structure of Subordinated Assets	10,940
a) Due from banks	0
b) Due from customers	0
c) Bonds and other notes	10,940

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 6 - Liabilities

For a better understanding the following section is explained in detail:

6.1. Details of the Liability Item 10 "Due to Banks"		13,001
a) Repurchase agreements with banks		13,001
b) Lending on securities		0

Details of the Item 10 "Due to Banks"

616,261

Due to Banks consisted of the following:

- Demand deposits	
a) Free deposits	43,500
b) Correspondence accounts	101,865
- Tied up deposits	
a) Blocked deposits	457,895
b) Due to banks relating to rediscounts	0
c) Repurchase agreements with banks	13,001
d) Lending on securities	0

This balance sheet item recorded an increase of 80,672 thousand Euro, or 15.06%.
The strongest increase was recorded in blocked deposits, which grew by 59.8%.

6.2. Details of the Liability Item 20 "Due to Customers"		12,922
a) Repurchase agreements with customers		12,922
b) Lending on securities		0

Details of the Item 20 "Due to Customers"

134,931

Due to Customers consisted of the following:

- Demand deposits	
a) Free savings deposits	9,035
b) Free customer deposits	55
c) Correspondence account deposits	112,804
- Tied up deposits	
a) Blocked savings deposits	80
b) Blocked customer deposits	35
c) Repurchase agreements with customers	12,922

This balance sheet item increased by 24,728 thousand Euro, or 1.55%, compared to the previous year.
This increase mainly referred to correspondence account deposits, repurchase agreements and savings deposits.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 6 - Liabilities

6.3. Details of the Liability Item 30 "Securitized Liabilities"		161,914
a) Bonds		140,931
b) Short-term savings certificates		62
c) Others		20,921

This balance sheet item increased by 53,440 thousand Euro, 49.26% respectively, compared to the previous year. The increase could be achieved in the sector of own bonds and is partly due to borrowing on capital markets.

The other securitized liabilities referred to own banker's drafts.

Compared to the previous year, an increase of 3,636 thousand Euro was recorded.

6.4. Details of the Liability Item 40 "Third Party Funds Administration"		18,242
a) Administered funds		18,242

This balance sheet item recorded a decrease of 5,151 thousand Euro, or 39.35%.

These funds are allocated on the part of the Autonome Provinz Bozen (local authority) for the financing of enterprises, which operate in the various sectors of the South Tyrolian economy.

This is based on the Province Law no. 9 of 15th of April 1991, as well as on a contract between the Autonome Provinz Bozen (autonomous province of Bozen) and the RLB.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 7 - Reserves and Provisions

7.1. Structure of the Item 90 "Provision for Loan Risks"	8,482
a. Fund for loan risks - tax free (Art. 71, paragraph 3, V.P.R. 917/86)	7,488
b. Fund for loan risks - tax free, for interests (Art. 71, paragraph 6, V.P.R. 917/86)	118
c. Taxed fund for loan risks	876

The provision for loan risks serves to cover only possible loan risks. It was formed from tax free provisions of the current and the previous financial year, with the exception of the taxed fund for loan risks. The provision for loan risks includes also the provision for the recoverable share of default interest.

7.2. Variations of the Item 90 "Provision for Loan Risks"	
A. Opening inventory at 1st of January 2001	6,481
B1. Additions 2001	2,213
B2. Other variations	0
C1. Application of funds 2001	-60
C2. Other variations	-152
D. Closing balance at 31st of December 2001	8,482

7.3. Structure of Item 80c "Other Funds (disposition funds)"	487
a. Disposition fund of the Board of Directors	74
b. Funds for future risks	413

The disposition fund, at the disposal of the Board of Directors, showed a decrease of 9 thousand Euro.

It is derived from net profit and utilized for donations.

Applying valuation principles for guarantee credits and similar commitments, a provision for future risks was formed for the first time.

7.4. Variations of the Item 80 "Other Funds (disposition funds)"	
A. Opening inventory at 1st of January 2001	83
B1. Additions 2001	413
B2. Other variations	0
C1. Application of funds 2001	-9
C2. Other variations	0
D. Closing balance at 31st of December 2001	487

7.5. Variations of Item 70 "Provision for Severance Payments"	
A. Opening inventory at 1st January 2001	3,760
B1. Additions 2001	467
B2. Other variations	0
C1. Application of funds 2001	-181
C2. Other variations	0
D. Closing balance at 31st of December 2001	4,046

The fund for severance payments was stepped-up in accordance with legal and collective-bargaining provisions.

Application of funds was based on payments of severance payment credits to personnel.

This fund shows an increase of 286 thousand Euro.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 7 - Reserves and Provisions

7.6. Variations of the Item 80b "Tax Provisions"	
A. Opening inventory at 1st of January 2001	2,670
B1. Additions	2,844
B2. Other variations	0
C1. Application of funds 2001	-2,670
C2. Other variations	0
D. Closing balance at 31st of December 2001	2,844

The item includes the tax liability for IRAP (regional tax on capital appreciation) of 658 thousand Euro, calculated according to the accruals concept and law provisions and the provision for IRPEG (corporate tax) of 2,186 thousand Euro.

7.7. Accrued and Deferred Taxes	
1. Opening inventory at 1st of January 2001	15
2. Additions	102
2.1. Deferred taxes, originated in the financial year	102
2.2. Other additions	0
3. Disposals	12
3.1. Deferred taxes, reversed in the financial year	12
3.2. Other disposals	0
4. Closing balance	105

The presentation of assets for prepaid taxes was based on realistic estimations of the expected future taxable income and referred mainly to costs, whose deduction was deferred to future financial years, due to legal provisions in force:

- Company representative personnel expenses of 3 thousand Euro, deductible by 1/3 in fixed portions in the relevant financial year and the following four financial years.
- Remunerations for services of 23 thousand Euro, which were not performed in the course of the financial year 2001.
- Staff costs of 275 thousand Euro, which were debited in the financial year 2001, according to the accruals concept.

All assets arising from prepaid taxes were entered by offsetting entry in the profit and loss account.

For the calculation of deferred taxes the following tax rates were applied:

- IRPEG (corporate tax): 33.58 % (considering DIT-calculation)
- IRAP (regional tax on capital appreciation): 5.0% in the year of 2001, 4.75 % in the year of 2002, 4.25% in the year of 2003 and 4.25% in the year of 2004.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 8 - Capital, Reserves, Fund for General Banking Risks and Subordinated Liabilities

8.1. Structure and Variations of the Item 100 "Fund for General Banking Risks"	
A. Opening inventory at 1st of January 2001	2,582
B1. Additions 2001	0
B2. Other variations	0
C1. Application of funds 2001	0
C2. Other variations	0
D. Closing balance at 31st of December 2001	2,582

8.2. Structure and Variations of the Item 110 "Subordinated Liabilities"	
A. Opening inventory at 1st of January 2001	15,000
B1. Additions 2001	0
B2. Other variations	0
D. Closing balance at 31st of December 2001	15,000

In the fourth quarter of the financial year 2000 a subordinated bond was issued.
The purpose of this bond issue was the maximisation of possibilities in the credit business.
It is a 7-year floating-rate bond.

8.3. Item 120: Subscribed Capital	
A. Opening inventory at 1st of January 2001	51,650
B1. Additions 2001	0
B2. Other variations	0
C1. Application of funds 2001	0
C2. Other variations	0
D. Closing balance at 31st of December 2001	51,650

Share capital was converted into Euro in accordance with the resolution of the Board of Directors on 24th of March 2000 according to the regulations of art. 17 of law decree no. 213/98 and referring to surveillance directives of Banca d'Italia.
The new nominal value of the share amounts to 51.65 Euro.

Share capital consists of 1,000,000 shares with a nominal value of 51.65 Euro.

8.4. Structure and Variations of the Item 140a "Legal Reserves"	
A. Opening inventory at 1st of January 2001	5,640
B1. Additions 2001	98
B2. Other variations	0
C1. Application of funds 2001	0
C2. Other variations	0
D. Closing balance at 31st of December 2001	5,738

The increase of 98 thousand Euro was due to the appropriation of the net income of the financial year 2000.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 8 - Capital, Reserves, Fund for General Banking Risks and Subordinated Liabilities

8.5. Structure and Variations of the Item 140c/d "Statutory and Other Reserves"	Statutory	Other Reserves
A. Opening inventory at 1st of January 2001	2,456	1,222
B1. Additions 2001	394	807
B2. Other variations	0	0
C1. Application of funds 2001	0	0
C2. Other variations	0	0
D. Closing balance at 31st of December 2001	2,850	2,029

The increase of 1,201 thousand Euro was due to the appropriation of the net profit of the financial year 2000.

8.6. Structure and Variations of the Item 150 "Revaluation Reserves"	
- Revaluations according to law no. 72 of 19th of March 1983	594
- Revaluations according to law no. 408 of 29th of December 1990	4,251

Details about the structure of this item can be seen from balance sheet supplement no. 2.

8.7. Share Capital and Reserves in Accordance with the Supervisory Authority and Surveillance Rules	
A. Share capital and reserves in accordance with the supervisory authority	
A.1 Tier One	66,224
A.2 Tier Two	27,067
A.3 Amounts to be deducted	8,826
A.4 Share Capital and Reserves in accordance with the supervisory authority	84,465
B. Surveillance rules	
B.1 Credit risks	43,368
B.2 Market risks	5,201
- thereof:	0
- Risks of the trading portfolio	5,201
- exchange rate risks	0
B.3 Other surveillance rules	0
B.4 Total surveillance rules	48,569
C. Risk activity and surveillance coefficients	
C.1 Weighted risk activities	607,118
C.2 Base internal funds/weighted risk activities	10.91
C.3 Internal funds in accordance with the surveillance authority/Weighted risk activities	13.91

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 9 - Other Liability Items

9.1. Structure of the Liability Item 50 "Other Liabilities"	19,698
a) Amounts at the disposal of third parties	90
b) Liabilities to suppliers	623
c) Tax liabilities to VAT/Tax/Registration offices	1,505
d) Liabilities to pledged securities accounts on financial products	0
e) Mandated compensations	0
f) Interest/charges to be credited	768
g) Social security to be paid	335
h) Items being processed (transitory account)	5,127
i) Clearing service with Banca d'Italia - Payment receipts/Outgoing payments	1,705
j) Clearing service with Banca d'Italia	7,490
l) Other liabilities	2,055

Compared to the previous year, this balance sheet item showed an increase of 256 thousand Euro, or 1.32%.

9.2. Structure of the Liability Item 60 "Accrued Expenses and Deferred Revenue"	5,433
a) Accrued expenses	4,215
- Accrued interest on savings certificates	1
- Accrued interest on repurchase agreements	53
- Accrued interest on financing	0
- Accrued interest on deposits	3,091
- Accrued interest on RLB bonds	1,070
- Accrued commissions and charges	0
b) Deferred revenue	1,218
- Prepaid interest on discounted bills	459
- Prepaid interest on financing	40
- Prepaid commissions and charges	719

Compared to the previous year, this balance sheet item showed an increase of 2,277 thousand Euro.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 10 - Contingencies and Commitments

10.1. Structure of the Item 10 "Contingencies and Commitments"	108,274
a) Trade guarantees	96,483
b) Financial guarantees	11,791
c) Values deposited as guarantees	0

10.2. Structure of the Item 20 "Commitments"	33,079
a) Commitments with certain uptake	2,498
1) Securities to be received	1,498
2) Financing to be disbursed	0
3) Deposits to be paid	0
4) Index-linked securities	1,000
b) Commitments with potential uptake	30,581

For the valuation of credit risks of guarantees and commitments, the same valuation criteria were applied as for due from customers. the item "Commitments with certain uptake" decreased by 11,391 thousand Euro. This development is to be attributed to the decrease of money market deposits to be paid.

Commitments with potential uptake include non-utilised credit lines of 28,976 thousand Euro.

10.3. Assets Pledged for Own Commitments	183,500
Guarantee documents for anticipations with Banca d'Italia	3,000
Guarantee documents for the emission of banker's drafts	4,254
Guarantee documents for public treasury services	150,334
Guarantee documents for other transactions	0
Reg. securities with restrict. transferability for repurch. agreements	25,912

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 10 - Contingencies and Commitments

10.5. Forward/Future Contracts		Cover Purposes	Trading Purposes		Other Transact.
			Euro-Currencies	Other Currencies	
1. Purchase and Sales					
1.1. Securities					
- Purchases			1,498	0	
- Sales			254	0	
1.2. Foreign Currencies					
- Cross currency transactions			0	0	
- Purchases against Euro			19,130	0	
- Sales against Euro			9,471	0	
2. Deposits/Financing					
- To deliver			0	0	
- To receive			37,269	0	
3. Derivative Products					
3.1. With Capital Exchange					
a) Securities					
- Purchases			0	0	
- Sales			0	0	
b) Foreign Currencies					
- Cross currency transactions			0	0	
- Purchases against Euro			143,502	0	
- Sales against Euro			5,490	0	
c) Other Values					
- Purchases	0		0	0	
- Sales	0		0	0	
3.2. With no Capital Exchange					
a) Currencies/Foreign Currencies					
- Cross currency transactions			0	0	
- Purchases against Euro			0	0	
- Sales against Euro			0	0	
b) Other Values					
- Purchases	84,525		171,645	0	
- Sales	9,180		171,645	0	1,000

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 10 - Contingencies and Commitments

10.6. Credit Derivates	Negotiation	Others
1) Purchases for cover	0	0
1.1. with capital exchange	0	0
1.2. without capital exchange	0	0
2) Sales for Cover	0	1,000
2.1. with capital exchange	0	0
2.2. without capital exhcange	0	1,000

This item refers to a bank bond, in which capital and interest are linked to a fund of funds.

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Seciton 11 - Concentration and Allocation of Assets and Liabilities

11.1. Large-Scale Loans	
a) Amount	162,262
b) Quantity	19

11.2. Allocation of Loans to Customers with regard to the most Important Debtor Groups (Sectors)	
a) State	0
b) Other public coporations	4,680
c) Other than financial institutions (commercial enterprises)	310,121
d) Financial institutions	10,013
e) Family enterprises	16,353
f) Other enterprises	21,973

11.3. Allocation of Loans with regard to Local Economic Enterprises and Family Enterprises	
a) Trade sector	89,248
b) Tourism sector	59,686
c) Other services	56,007
d) Agriculture	34,315
e) Construction trade	15,152
f) Other economy sectors	64,247

11.4. Allocation of Guarantee Provisions with regard to the most Important Groups of Business Partners	
a) State	0
b) Other public corporations	196
c) Banks	24,272
d) Other than financial institutions (commercial enterprises)	81,197
e) Financial institutions	0
f) Family enterprises	920
g) Other enterprises	1,689

11.5. Regional Allocation of Assets and Liabilities	Italy	EU-countries	Others
1. Assets	940,050	47,947	1,605
1.1. Due from banks	278,291	9,903	1,604
1.2. Due from customers	355,320	7,820	0
1.3. Notes	306,439	30,224	1
2. Liabilities	801,785	144,503	61
2.1. Due to banks	476,348	139,913	0
2.2. Due to customers	130,281	4,590	61
2.3. Securitized liabilities	161,914	0	0
2.4. Other accounts	33,242	0	0
3. Contingencies and commitments	141,243	109	0

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 11 - Concentration and Allocation of Assets and Liabilities

11.6. Breakdown of Assets and Liabilities according to Maturities		Maturity			
		On demand	Up to 3 months	3-12 months	1-5 years fixed-int.
1. Assets		132,468	237,498	125,059	19,626
1.1. Refinanceable securities		2	134	25	31
1.2. Due from banks		53,448	172,721	43,359	
1.3. Due from customers		79,018	62,273	70,735	17,494
1.4. Notes			2,370	10,940	2,101
1.5. Business "under the line"			37,470	1,000	190,785
2. Liabilities		288,198	422,566	49,179	37,908
2.1. Due to banks		145,365	415,446	34,763	17,500
2.2. Due to customers		121,912	4,574	8,445	
2.3. Securitized liabilities		20,921	2,546	5,971	20,408
2.3.1. Bonds			2,500	5,955	20,408
2.3.2. Savings Certificates			46	16	
2.3.3. Others		20,921			
2.4. Subordinated liabilities					
2.5. Business "under the line"			37,269		131,606

		Maturity			
		1-5 years (float.)	> 5 years fixed-int.	> 5 years (float.)	undefined
1. Assets		351,637	12,382	50,395	33,323
1.1. Refinanceable securities		23,711	16		
1.2. Due from banks		3,298			16,972
1.3. Due from customers		65,879	2,544	48,845	16,351
1.4. Notes		258,749	9,822	1,550	
1.5. Business "under the line"		88,280	10,000	16,480	
2. Liabilities		91,527	22,409	1,320	0
2.1. Due to banks		3,187			
2.2. Due to customers					
2.3. Securitized liabilities		88,340	22,409	1,320	0
2.3.1. Bonds		88,340	22,409	1,320	
2.3.2. Savings Certificates					
2.3.3. Others					
2.4. Subordinated liabilities			0	15,000	
2.5. Business "under the line"		134,636	24	40,480	0

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 11 - Concentration and Allocation of Assets and Liabilities

11.7. Assets and Liabilities in Foreign Currency	
a) Assets	196,289
1) Due from banks	181,620
2) Due from customers	13,978
3) Securities	0
4) Participating interests	0
5) Other accounts	691
b) Liabilities	71,515
1) Due to banks	70,667
2) Due to customers	848
3) Securitized liabilities	0
4) Others	0

The above stated amounts are nominal values.

11.8. Allocation of Credit Derivatives with regard to the most Important Groups of Business Partners	
a) State	0
b) Other public corporations	0
c) Banks	1,000
d) Other than financial institutions (commercial enterprises)	0
e) Financial institutions	0
f) Family enterprises	0
g) Other enterprises	0

Balance Sheet Notes: Part B

Details of Asset and Liabilities Statement

Section 12 - Custody Holding and Intermediation for Third Parties

12.1. Trading in Securities	
Trading in currencies was exclusively effected for the bank's own account.	

12.2. Asset Management	
a) Issued own securities	0
b) Other securities	217,405

12.3. Custody and Administration of Securities	
a) Securities of third parties in custody	2,038,011
1. Issued own securities	188,105
2. Other securities	1,849,906
b) Third party securities with third parties	1,868,604
c) Bank-owned securities with third parties	347,351

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account Section 1 - Interest

1.1. Structure of the Item 10 "Interest and Other Income"		38,327
a) On due from banks		8,421
thereof:		
- On due from central banks	1,996	
b) On due from customers		20,350
thereof:		
- On administered funds of third parties	116	
c) On Notes		9,122
d) Other asset interests		52
e) Positive margins on covering transactions		382

These earnings increased by 5,264 thousand Euro, i.e. 15.92%.

1.2. Structure of the Item 20 "Interest and Similar Expenses"		-29,661
a) On due to banks		-20,555
b) On due to customers		-3,233
c) On securitized liabilities		-4,990
thereof:		
- On savings certificates	-9	
d) On administered funds of third parties		0
e) On subordinated liabilities		-735
f) Negative margins on covering transactions		-148

Interest expenses increased by 6,659 thousand Euro, i.e. 28.95%.

1.3. Details of the Item 10 "Interest and Other Income"		3,164
a) On receivables in foreign currency		3,164

This item showed a decrease of 559 thousand Euro, i.e. 15.02%.

1.4. Details of the Item 20 "Interest and Similar Expenses"		-1,855
a) On liabilities in foreign currency		-1,855

This item showed a decrease of 746 thousand Euro, i.e. 28.68%.

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 2 - Commissions

2.1. Structure of the Item 40 "Commission Income"		10,221
a) On guarantee provisions		413
b) Collection commissions		0
c) For administration, intermediation and consulting		6,647
1. Securities trading	131	
2. Foreign exchange trading	2,057	
3. Asset management	3,124	
3.1. Personal	1	
3.1. Collective	3,123	
4. Custody and management fo securities	51	
5. Bank deposit	0	
6. Intermediation of securities	657	
7. Acceptance of orders on securities	601	
8. Securities consulting	0	
9. Products and services of third parties	26	
9.1. Asset management	0	
a) Personal	0	
b) Collective	0	
9.2. Insurance products	26	
9.3. Other products	0	
d) On payments and collection services		1,719
e) Services for securitisation of credits		0
f) For public treasury and tax levy services		0
g) Other services		1,442

This item shows a decrease of 2,399 thousand Euro, or 19.01%. Due to the marked reduction in trading activity, it was above all commission income from securities trading which decreased. Commission income from other services also decreased.

2.2. Details of the Item 40 "Commission Income": Sales Channels of Products and Services		3,807
a) At own counters:		3,807
1. Asset management	3,124	
2. Bank deposit	657	
3. Products and services of third parties	26	
b) Doorstep sales:		0
1. Asset management	0	
2. Intermediation of securities	0	
3. Products and services of third parties	0	

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 2 - Commissions

2.3. Structure of the Item 50 "Commission Expenses"		-3,141
a) Guarantees received		-1
b) Credit derivatives		0
c) For administration, intermediation and consulting		-2,324
1. Securities trading	-284	
2. Foreign exchange trading	-168	
3. Asset management	-1,702	
3.1. Own portfolio	0	
3.2. Third-party portfolio	-1,702	
4. Custody and administration of securities	-163	
5. Intermediation of securities	-7	
6. House-to-house-sale of securities, products and services	0	
d) On payments and collection services		-481
e) On other services		-335

This item showed a decrease of 1,273 thousand Euro, or 28.83%. Due to the marked reduction in trading activity, it was above all commission income from securities trading which decreased.

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 3 - Earnings and Expenses from Financial Business

3.1. Structure fo the Item 60 "Income and Losses from Fiancial Business Transactions"			
	Securities	Foreign currencies	Others
A1) Write-down reversals	130		
A2) Write-downs	-870		
B) Other earningsand expenses	856	4,277	83
Total	116	4,277	83
Structure of write-down reversals	130		
1. Government securities	130		
2. Other notes	0		
3. Participating interests, shares, shares in funds	0		
Structure of write-downs	-870		
1. Government securities	-22		
2. Other notes	-2		
3. Participating interests, shares, shares in funds	-846		
Structure of gains/losses	856	4,277	83
1. Government securities	639		
2. Other notes	211		
3. Participating interests, shares, shares in funds	6		
4. Future contracts and other derivatives			83
5. Foreign currencies		4,277	

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 4 - Administrative Expenses

4.1. Average Number of Employees according to Qualification	146
a) Executives	4
b) Officials	14
c) Other personnel	128

The stated number of employees was calculated as the arithmetic average of the employed personnel at year-end of 2000 and of 2001. By the end of the year 2001, the total number of employees amounted to 145.

4.2. Other General Administrative Expenses	-5,411
- Indirect tax and charges	-652
- Remunerations to freelancers, board of directors and supervisory board	-211
- Insurance	-73
- Rent for immovable property, machinery and equipment	-4
- Maintenance costs for own immovable property	-115
- Maintenance contracts for immov. property, movables and machinery	-170
- Mail costs	-90
- Telephone costs, Telex	-45
- IT-expenses, SWIFT, Reuters	-2,579
- Electricity, cleaning services	-211
- Office supplies, printing costs	-115
- Travel exp., advertising exp., company representative personnel exp.	-205
- Contributions	-193
- Various charges for public treasury services	-43
- Books, periodicals and information costs	-15
- Publications and translations	-17
- Court charges, legal advice, trials costs	-276
- Internal auditing costs	-48
- Other administrative costs	-349

This item showed a decrease of 71 thousand Euro, i.e. 1.30 %.

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 5 - Valuation Allowances and Provisions

5.1. Valuation Allowances for Loans and Guarantees		-137
a) Valuation allowance for receivables:		
- Valuation allowance for country risks		0
- Other valuation allowances:		0
- Direct valuation allowances		-137
- Global valuation allowances		0
b) Provisions for guarantees and commitments		
- Provisions for country risks		0
- Global valuation allowance		0

This items showed an increase of 1,153 thousand Euro. The valuation allowance effected in the year 2001 referred to the doubtful receivables of customers.

5.2. Provisions to the Fund for Loan Risks		-2,213
Provisions to the fund for loan risks		-2,150
Provisions to the fund for default interest		-63

The provisions to the fund for loan risks increased by 1,515 thousand Euro, compared to the previous year, considering both the interest default evaluated as collectable and the exemption on due from customers permissible under tax law.

5.3. Provisions for Future Risks and Expenses		-413
Provisions for future risks		-413

The provision was formed in accordance with rules of valuation for guarantee credits and similar commitments.

5.4. Tax Provisions		-2,754
a) IRPEG		-2,185
b) IRAP		-658
c) Accrued/Deferred taxes IRPEG		89
d) Accrued/Deferred taxes IRAP		-0

5.5. Structure of the Item 90 "Amortization and Depreciation of Intangible Fixed Assets and Fixed Assets"			
	Regular	Accelerated	Total sum
a) Intangible fixed assets	-156	0	-156
- Amortization of software	-156	0	-156
- Amortization of expenses for establishment/expansion	0	0	0
b) Tangible fixed assets	-468	-105	-573
- Immovable property	-323	0	-323
- IT-equipment	-96	-70	-166
- Machinery and equipment	-42	-32	-74
- Furnitures and fixtures	-7	-3	-10
Total	-624	-105	-729

Depreciation and amortization of tangible and intangible goods increased by 111 thousand Euro, compared to the previous financial year. The applied depreciation rates can be seen in the following table:

Fixed Assets	Depreciation rates
- Immovable property	3
- Movables	
- Furniture and fixtures	15
- Office furniture	12
- Vehicle fleet	25
- Various machinery	15
- Electrical/electronic machinery and IT-equipment	20
- Alarm equipment and security equipment	30

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 6 - Other Items of the Profit and Loss Account

6.1. Structure of Item 70 "Other Operating Income"		1,475
a) Closing fees on deposit accounts		299
b) Penalty fines		0
c) Refund processing fees		1
d) Refund stamp duties and replacement taxes		493
e) Other income		682

This item showed a decrease of 93 thousand Euro, or 5.93%.

6.3. Structure of Item 180 "Extraordinary Income"		418
a) Surplus proceeds from the sale of movables and immovable property		13
b) Other extraordinary income		405

Compared to the previous year, these earnings increased by 267 thousand Euro.

6.4. Structure of Item 190 "Extraordinary Expenses"		-15
a) Loan losses		0
b) Extraordinary losses		-15

This item showed a decrease of 15 thousand Euro.

6.5. Structure of Item 220 "Tax on Operating Result"		
1. Tax provisions		-2,844
2. Deferred taxes		90
3. Accrued taxes		0
4. Tax on operating result		-2,754

Balance Sheet Notes: Part C

Notes to the Profit and Loss Account

Section 7 - Other Notes on Costs and Earnings

7.1. Regional Allocation of Income	Italy	Other Countries	Total
- Interest receivable	38,183	172	38,355
- Dividends	360	0	360
- Commissions receivable and provisions	9,819	402	10,221
- Other income	1,459	16	1,475
- Income from retransfer of valuation allowances	0	0	0
- Extraordinary income	418	0	418
Total income			50,829

The business activity of the bank in customer business is limited to the Province Bozen region.

7.2. Data for the Calculation of the Variable Share of the Contribution to the National Guarantee Fund	
a) Cashed commissions on:	
- Negotiations for the account of third parties	0
- Intermediation of securities	537
- Asset management for the account of third parties	3,051
- Order collection of securities	110
b) Security turnover from customers for the calculation of commissions on transactions for own account	
- Government securities	104,302
- Bonds	35,080
- Shares	336

Balance Sheet Notes: Part D

Further Details

Section 1 - Board of Directors and Supervisory Board Members

1.1. Remunerations		210
a) Board of Directors members		151
b) Supervisory Board members		59

1.2. Loans and Guarantees		50
a) Board of Directors members		50
b) Supervisory Board members		0

Loan granting was effected according to art. 136 of law no. 385/93.

Balance Sheet Supplements

Supplement no. 1

Statement of Own Assets and Variations at 31.12.2001

Own Assets	Legal Reserve	Extraordinary/Free Reserve	Upward Revalut. Reserve	Fund for General Banking Risks	Annual Profit for the Year	Total
Balance on 1st of January 2001						
51,650	5,639	3,678	4,845	2,582	1,299	69,693
Transactions during the financial year 2001						
0	0	0	0	0	0	0
Allocation of the annual profit for the year 1999						
0	98	1,201	0	0	-1,299	0
Transfer to the disposition fund						
					0	0
Annual profit for the year						
0	0	0	0	0	3,024	3,024
Balance at 31st of December 2001						
51,650	5,737	4,879	4,845	2,582	3,024	72,717

Legal, extraordinary and free reserves and the fund for general banking risks were set-up from the net profits of the current and the previous financial years and guarantee, in the case of a cash disbursement to shareholders, a tax credit to the full extent. Net profits of the year 2001 were adjusted for dividends paid of 673 thousand Euro.

Balance Sheet Supplements

Supplement no. 2

Statement fo the Revaluation of Immovable Property

Upward revaluation of Headquarters buildings	4,287
Decreases due to sale of own immovable property	0
Balance of upward revaluation of own immovable property on 31st of December 2001	4,287

Balance Sheet Supplements

Supplement no. 3

Listing of Participating Interests at 31st of December 2001

Description	Quant. Shares/Stakes	Nominal Value	Book Basis	%
a) In banks				
-ALPENBANK INNSBRUCK	45,850	3,332	6,359	32.750
-BANCA AGRILEASING	26,080	1,347	1,355	0.841
-INVESTITIONSBANK TRENTINO SÜDTIROL	2,700,000	1,394	1,903	3.019
b) In financial companies				
-ICCREA HOLDING AG	90,810	4,690	4,690	1.033
-FONDS ZUR SICHERUNG DER EINLEGER	516	1	1	0.050
-SERVIZI INTERBANCARI	112,500	68	59	0.250
c) Other participating interests				
-RAIFFEISENVERBAND SÜDTIROL	5	3	3	0.599
-SWIFT	10	1	5	0.011
-SIA	345	0	0	0.001
-SITEBA	14,032	7	7	0.280
-SSB	244,617	32	12	0.295
-ZENTRUM FÜR REG. ZUSATZRENTEN	18,167	94	104	0.095
-RAIFFEISEN ONLINE	1	5	5	1.000
-BIC - BOZEN	120,000	62	62	8.000
Total		11,035	14,564	