

AREAS OF MANAGEMENT

UNION MAKES FOR STRENGTH

Human Resources

The coming into being of Grup Agrícola Reig is seen as the consolidation of wide-ranging work very well done, work guaranteed by a long tradition, solvency and experience in the world of finance. It has been possible to successfully achieve this union within the Andorran financial field only thanks to the effort and capability of a highly qualified and fully competent team.

Grup Agrícola Reig has a highly trained professional team which is a leader in the Principality of Andorra. Today it is the strength of the Agrícola Reig team which must make us advance and enable us to achieve new professional goals and be the first financial body in Andorra.

In the field of human resources we are working to bring to the fore this immense capability which our team cherishes. Thus, during 2001 we continued to work with the firm intention to increase the efficiency of all our staff, faithful to one of our outstanding corporate values: orientation towards and service to our customers.

On 31 December 2001 the group's staff comprised 353 persons, 221 of whom were men (62.54%) and 132 women (37.46%).

Our team is young with an average age of 35.8 years. Most of the 353 staff of Grup Agrícola Reig fall into the 25-45 age group: 290 persons, 81.69% of the total, are in this group.

Years of service follow the usual norms: between 5 and 15 years is the largest group (169 persons or 47.61%) although the average has fallen in this period and now stands at 10.11 years. In this context, an increase in staff with less than 5 years' service is to be noted, these now form 10% of personnel.

The turn over by voluntary resignation stands at the average for the financial sector which is 8.5%.

Similarly, new recruits have been selected by criteria of efficiency and ability; the percentage of holders of higher university degrees has gradually increased and our work units in the business fields (which represent 45.1% of human resources incorporated during 2001) have acquired more qualified staff.

In house training has also been a management field in which resources and effort have been invested. At Grup Agrícola Reig we believe that training is essential for personal and professional promotion and consequently forms an important source of motivation. In 2001 we continued with the two year economic and financial training plan which has offered a menu of 20 training courses divided up into three major subject groupings:

- Private Banking
- Commercial Banking
- Investments

The first promotion of the Higher Banking and Finance Program taught jointly by Banc Agrícola and the Barcelona Institute of Financial Studies during the university years 1999-2000 and 2000-2001 has now qualified. The 8 degree holders have joined the bank's permanent staff.

On the other hand, various executives and technicians of our bank obtained in 2001 the postgraduate certificate as Certified European Financial Analyst (CEFA).

If these have been the basic guidelines of training policy, we should not forget the in house training plans which have two great aims:

- The prevention of and fight against money laundering, with courses on preventing money laundering, IRS etcetera, given by ABA, external consultants and our audit and compliance departments.
- In house training on the products and services of Grup Agrícola Reig, aimed at unifying the marketing and commercial management strategies of all the business units of the group.



In other fields of management, various projects have been carried out this year:

- A system for checking attendance has been worked out and will be set in motion for the whole of Grup Agrícola Reig in 2002.
- The bases (concept, structure, working) have been designed for an integrated system for managing ability with a view to enhance the professional development of our team with measurable, scaled criteria for professional performance which are linked to higher development in the work place.
- Various individualized career plans have been begun which are aimed at developing the ability, consolidation and enhancement of talented people within the group as a part of the project for identifying the potential of our human resources so as to place everyone in the job most suited to his or her ability and competence.
- The mechanisms have been set up for updating and monitoring so as to pay in salaries in euros starting January 2002.
- An integrated communications plan covering aspects of corporate, product, financial, domestic, crisis and internal communication has been designed and begun to be implemented.
- A complete analysis of and a proposal for redesigning and improving all contents, structure and organization of the corporate intranet have been made. An exhaustive study of the strong and weak points of internal communications via intranet has also been carried out and a detailed proposal for the most suitable orientation for making these communications dynamic and globalized has been drawn up.
- A plan for attaching and retaining key groups or persons within the organization has been drawn up.
- A single professional classification scheme has been set up for all group staff; all job descriptions in Grup Agrícola Reig have been revised, positions have been re-evaluated and professional levels and typical jobs have been assigned.
- A single remuneration framework has been fixed for the whole group.
- Regulations for labour relations have been unified for the whole group.

Seeking quality in procedures

We have taken a further step forward in Grup Agrícola Reig's policy of commitment to customers and continuous improvement. Two facts underline our working philosophy. One is the UNE-EN ISO 9001: 2000 certificate obtained under international regulations by our management company, Món Gestió, and the other is the diagnosis for improvement in the bank's procedures.

Last June our investment fund manager was certified under the regulations of recognized international renown UNE-EN ISO 9001: 2000. Moreover, thanks to the efforts of its team, the audit found that there had been no deviations from the norms. The drawing up of all the procedures has been based on two regulations: ISO 9001: 2000 and the international regulation on information barriers between depositary banks and companies managing investment funds.

The first regulation approves our internal management and confirms us in our continuous improvement and commitment to customers. The procedures for design, management, monitoring and administration of our investment funds have been ratified and are aimed in accordance with the customer's requirement to obtain his maximum satisfaction.

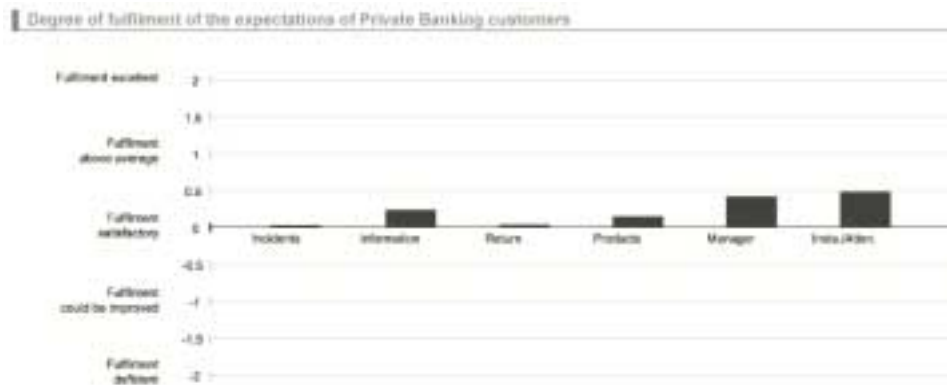
The second regulation guarantees the independence of the investment fund manager from the depositary bank so as to ensure maximum efficiency in managing funds. The result of applying both regulations consolidates out policy for the management of our customers' capital so as to obtain a maximum return with minimum risk.

During this year, too, we carried out a diagnosis of the state of our procedures. This diagnosis has produced the map of procedures covering all the activities carried out within our group. The reason for this diagnosis is the help it provides in orienting us better towards our clients and in enhancing, systematizing and encouraging continuous improvement. The identification of key procedures, strategic procedures and those which support the bank is the first step to optimizing the operation of each of our activities. It is a fact that the focus on procedures will enhance our commitment to customers because it will answer their demands in a more efficient manner. Thus, we shall be able to identify our improvement areas and enhance our strong points so as to constantly improve. The final goal is to succeed in always going one step ahead of our customers' expectations. The search for quality in procedures is not a static aim but will mark out all the goals which we shall have to overcome. Excellence in management depends on a dynamic internal organization with an intrinsic spirit of doing better day by day.



As a proof of this spirit and the work achieved, there are two notable elements in the results of interviews about satisfaction carried out with Private Banking customers and with those in Domestic Banking. We can say that the evaluations of our customers in both areas were excellent.

In the Private Banking area, the results of these evaluations show very high levels of satisfaction. In short, our customers declare themselves very satisfied with the service we are providing for them.



In the Domestic Banking area the results are also excellent. There too customers declare themselves very satisfied with the service and there are clear signs of satisfaction in the most important factors.

We do not consider these results as a goal achieved but rather as marking the level to be improved on. Excellence in management does not come to an end with results, they are the proof that we are on the right track. So, once more, Grup Agrícola Reig advances in excellence in management obtaining certificates of recognized prestige and the recognition of its customers.

DEVELOPMENT OF THE STRENGTH

The development of world markets and its effects on investments and returns

The year 2001 has been inevitably marked by the September 11 terrorist attacks. Months before these events, the main world economies, above all the US, were already showing signs of a strong economic slow down. The events of September confirmed the entry into recession of the world economy. In the USA the economy grew about 1.0%, in the euro zone growth was 1.7% while Japan continued in recession with a drop of 0.5% in the GIP. The USA finished the longest period of expansion in its history (uninterrupted growth since 1992) and dragged the rest of the economies with it. Although the euro zone at first looked like not being affected, it too suffered a strong decrease in economic activity in the second half of the year. Japan entered into its third recession in the last decade and showed no signs of recovery in the middle term. The new government of Junichiro Koizumi seemed to have taken office in a spirit of renewal and reforms but it is not carrying out the necessary changes to the financial sector which the markets were hoping for. The emerging countries are also affected by this situation and average growth in Latin America could well be 1.1%. The chaotic situation in Argentina has no doubt influenced this scenario.

The strong economic down turn has meant a lower rate of price rises both in the euro zone and the USA. The consumer price index for the euro zone ended the year up 2.1% (the European Central Bank was aiming at 2.0%) after reaching a maximum of 3.4% in May. In the USA the consumer price index rose 1.6%, well below the 3.7% of the first month in the year. The weakness of internal demand in Japan cause the economy to continue in deflation (-1,0% in 2001).

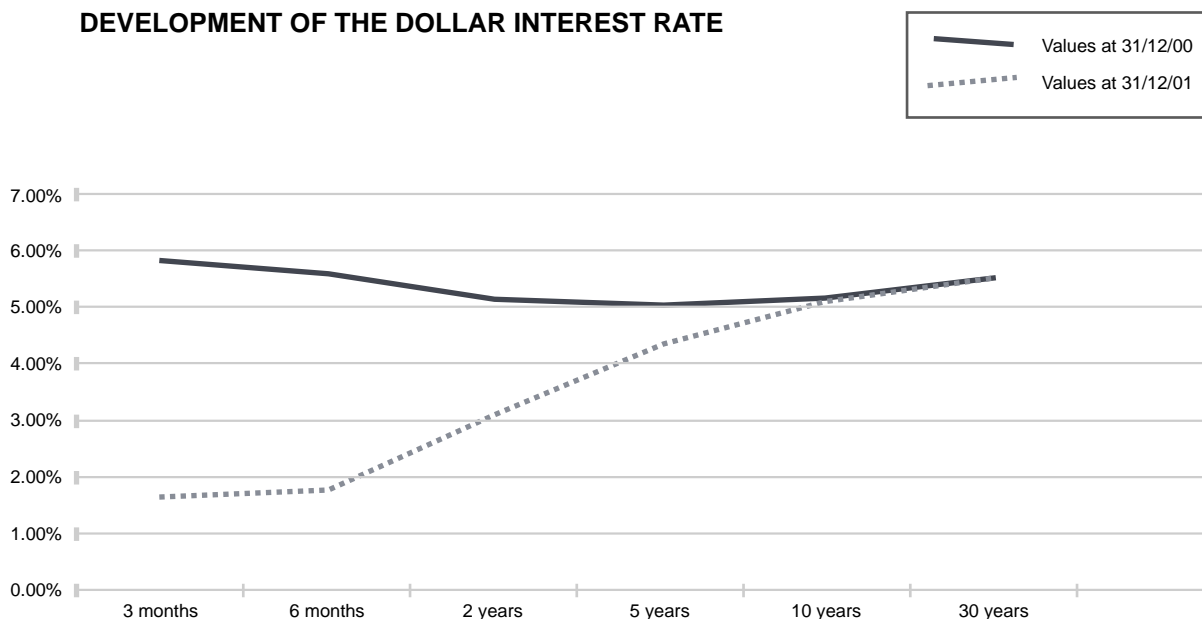
The fall in the consumer price index together with the weakness of the economy gave rise to expansionist monetary policies. The Federal Reserve opted for aggressive cuts in interest rates which it brought down from 6.50% to 1'1.75%, the lowest rate in the last 40 years. The European Central Bank went for a more prudent monetary policy and only cut intervention rates by 150 basic points from 4.75% to 3.25%.

Debt markets

a) United States

The behaviour of the debt markets in 2001 was linked to the development of the equity markets. Government Thus from May to November bonds performed very positively, quite the opposite of the equity indexes. The terrorist attacks strengthened the performance by bonds as a refuge stock but the feeling of economic

DEVELOPMENT OF THE DOLLAR INTEREST RATE

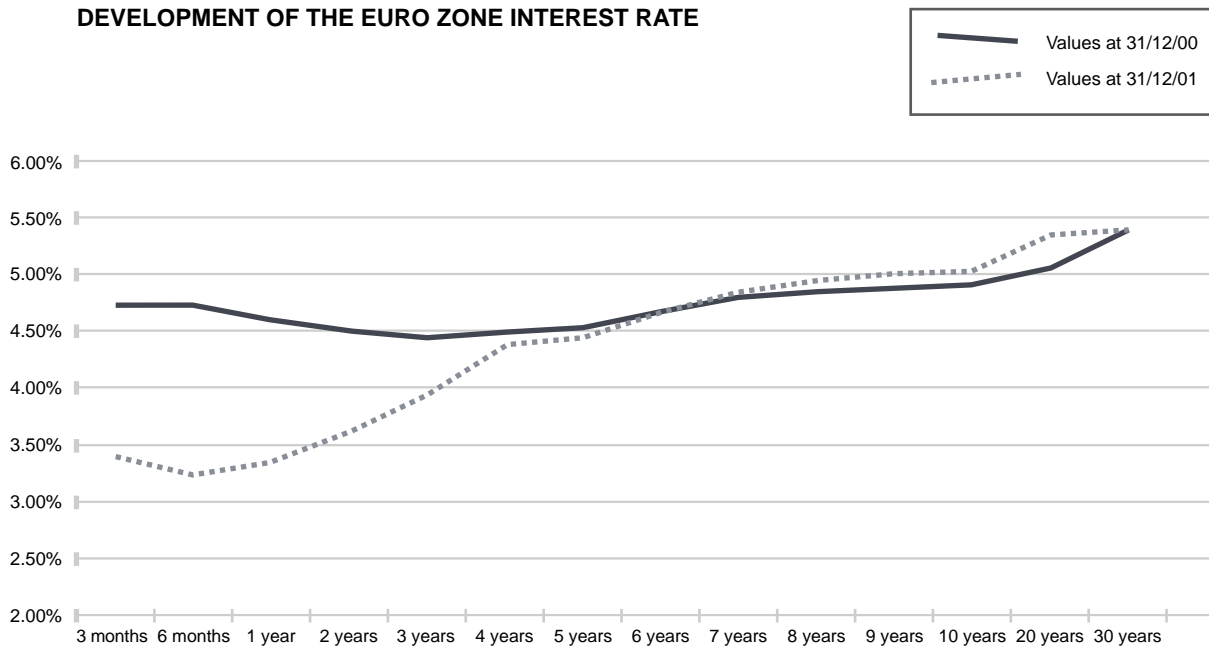


recovery towards the end of the year gave rise to a strong correction of the levels attained. As can be seen from the graph below, the change in the curve of interest rates in 2001 was highly significant. Treasury bonds at 10 years corrected at the end of the year to 5.05%, 87 basic points above the maximum levels achieved during the year. The data on the economic slow down, the moderate rate of price rises and the 11 cuts in interest rates carried out by the Federal Reserve in 2001 made this good performance by the leading fixed return possible. The fall in inflation was due to the development in petrol prices during the year. The weakness of demand was not compensated for by reductions in production by OPEC and, after the attacks in the USA and as a result of the prospects of a global recession, the price of the barrel of Brent crude fell below 16 dollars, the lowest level since 1998 when the crisis in production occurred which brought the price per barrel down to 10 dollars.

b) Europe

European debt followed a similar course to that in the USA in 2001 as a result of the slow down in the economy and the low inflation rate. During the year the European Central Bank cut interest rates four times. Despite this expansionist monetary policy, the ECB was strongly criticized for not acting in a more proactive fashion and cutting interest rates more aggressively in order to promote economic growth. The curve of the euro zone interest rates increased, adapting the cuts in rates made by the ECB.

DEVELOPMENT OF THE EURO ZONE INTEREST RATE



Currency markets

The performance of the currency markets in 2001 was marked to a large extent by growth prospects in the various geographical regions. The euro again fell against the dollar but without reaching a record low. At the beginning of the year it stood at over 0.94 dollars. At that time investors were expecting a stronger down turn in the USA than in the euro zone, which favoured the movement of capital to the latter region. But investors strongly penalized the attitude of the European Central Bank which refused to cut interest rates despite the slow down of the economy in the euro zone countries. This attitude was in sharp contrast to the strong cuts in interest rates which the Federal Reserve was making in the USA. Moreover, inflation rose in the euro zone in the first months of the year to reach a maximum interannual rate of 3.4% in May. Beginning in early July, the euro went up thanks to the prospects that US recovery would be slower than initially forecast. On the other hand, the International Monetary Fund stated that the dollar was running the risk of dropping steeply because

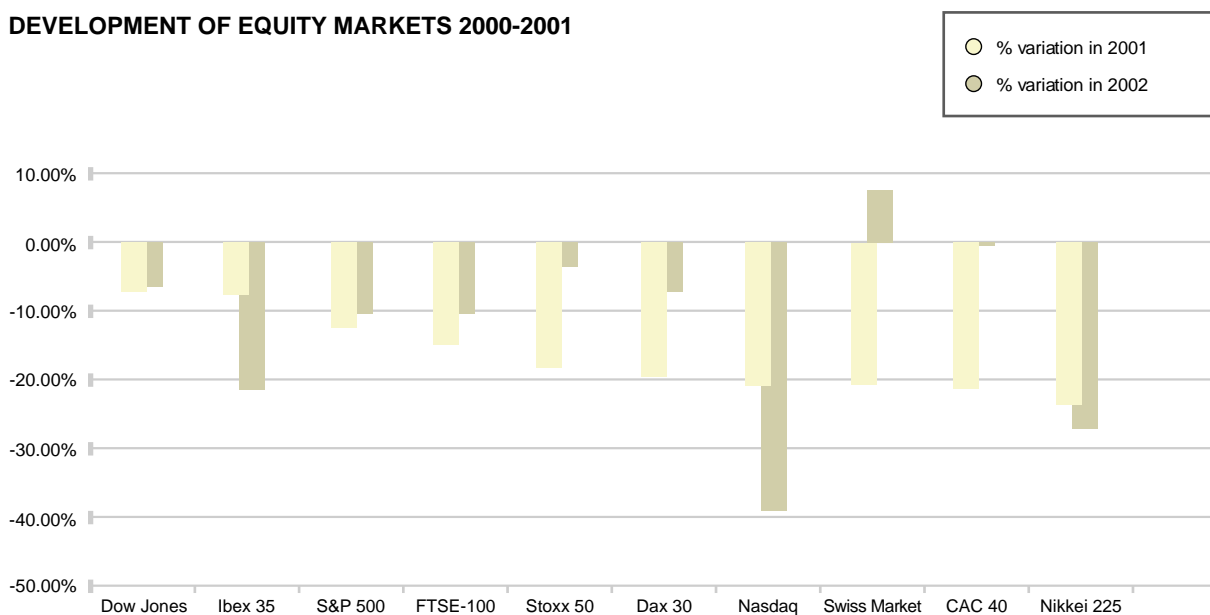


the US current account deficit was not sustainable in the long term. The terrorist attacks of September 11 caused the euro to rise to 0.93 dollars but the new prospects of a stronger economic recovery in the USA than in the euro zone brought it down to below 0.88 dollars at the end of the year. The other main actor was the yen which dropped strongly in 2001 against both the dollar (14.80%) and the euro (8.70%). Lastly, despite movements experienced during the year, the Swiss franc and the sterling shown little significant change in their rates against the dollar and the euro in the overall account for the year.

Equity markets

Index		Variation in 2001
Dow Jones	USA	-7.10%
Ibex 35	Spain	-7.82%
S&P 500	USA	-13.04%
Ftse-100	UK	-16.15%
Stoxx 50	Europe	-18.66%
Dax 30	Germany	-19.79%
Nasdaq	USA	-21.05%
Swiss Market	Switzerland	-21.11%
Cac 40	France	-21.97%
Nikkei 225	Japan	-23.52%

DEVELOPMENT OF EQUITY MARKETS 2000-2001



The equity indexes suffered considerable losses for a second year running due to the economic down turn and, above all, the terrorist attacks and their consequences for the world economy. Other more specific factors such as the crisis in Argentina affected the stock markets most exposed in the area, in this case the Spanish market. Although stock markets tend to be favourably affected by cuts in interest rates, 2001 was an exception. The concern about the economic down turn and the awful business results, particularly in the second half of the year, weighed more than the aggressive cuts in rates.

The markets began the year in the expectation of data showing that economy was recovering. The first three months of the year saw severe drops: the profit warnings of several businesses and the admission by the presidents of the main central banks that the economy was weak brought the indexes to the lowest levels in the last 52 weeks. In April and May the interest rate cuts in the USA gave rise to expectations of an economy recovery. Investors were expecting an upswing in the economy at the end of the year and technology and telecommunications shares shot up. In the following months, pessimism invaded the market as a result of the publication of highly negative business results. The terrorist attacks of September 11 put the finishing touch to stock market depression: the American exchanges stayed shut for a week and when they re-opened there were massive sales which brought the equity indexes to their lowest in the last three years. Later on, new cuts in interest rates and the expectation of an economic recovery led to sizeable gains on most indexes. Technology and telecommunications shares led the main rises. Towards the end of the year the situation in Argentina again darkened the picture. The Ibex, one of the indexes most exposed to Argentina, yielded slightly as a result of the economic and political uncertainty in Buenos Aires.

Forecast for 2002

2002 will probably be marked by economy recover in two of the world's main economic regions (the USA and the euro zone). The main doubts centre on when this recovery will take place. Prospects are that the cuts in interest rates and the reburgeoning confidence of the economic agents in the last months of 2001 will be swiftly reflected in the economy. On the other hand, the rise in the unemployment rate will lead to a drop in consumer spending (which represents two thirds of the GIP) and this may cause the period of feeble economic growth to lengthen. The debt markets could be favoured in the first half of the year by these factors of weakness but, as and when the data point to a recovery, government bonds might yield. The stock markets, too, will try to anticipate these growth data and might signal rises after falls two years running. It should be noted that generally speaking stock exchanges have staged sizeable recoveries in the year following major historical events.

UNE-EN ISO 9001: 2000

Last June our investment fund manager Món Gestió was certified under the regulations of recognized international renown UNE-EN ISO 9001: 2000. The success of this certificate ratifies the quality of our procedures with regard to design, management, monitoring and administration of our investment funds. This tradition is reflected in the audit with a success with few precedents. Our team's will to do ever better translates into giving the customer the best service with the highest international guarantees. Once more we can give our customers a guarantee of the quality of our management in favour of their capital.

Món Gestió, S.A.



In this way we have been the first managers in the Principality to receive a certificate and one of the first in the world. Moreover, in our product portfolio, Bond Fund Global and Money Market Fund-EUR hold the maximum credit guarantee with Moody's Aaa rating given for the third year running.

This recognition means that our management and products are achieving international renown as a result of our efforts and as a consequence of our philosophy of giving the customer the best service. So Món Gestió is positioned in a worldwide market as one of the best investment fund managers.



GLOBAL PRIVATE BANKING

The experience of a great group

We are the depositaries of our customers' investments and the custodians of their capital. The two banks forming Grup Agrícol Reig had as a principle the will for service to customers and as a mission to watch over their savings, understanding perfectly well that behind the financial expression of this capital lie feelings, efforts and sacrifices. Money is not mere figures. The present Grup Agrícol Reig has accumulated more than a hundred and thirty years' experience in private banking and knows perfectly what very few banks know: people and their needs.

At the side of our customers

It is at times of greatest difficulty and complexity that the values of private banking and Grup Agrícol Reig's style of doing it stand out. The care and attention to our customers' capital become a priority when the financial markets develop in ways which may negatively affect returns from their portfolios. It is also at these times of great volatility that genuine opportunities for investment occur. Our mission is to know and monitor as far as possible the risk to portfolios and recommend the best investments so as to mitigate adverse market reactions and plan investments so as to obtain the best results in coming years.

Creation of new products

As a result of this change in the economic and financial environment there is also a change in the way of satisfying customer needs. The aim continues to be sustained capital growth, but through investment in products other than the traditional ones: so called alternative investments (hedge funds), which are generally noted for obtaining expected returns whatever the market development, and other products which are more classical but are managed in a non-traditional way. By this we mean the TOP TEN EUR and TOP TEN USA portfolios which comprise the ten stocks on the European and American markets which give most return per dividend.

At Grup Agrícol Reig we understand that at this present time portfolios are dynamic and must be adaptable to environmental changes. This dynamic management was a service exclusive to large capital holdings but now with the INVESTMENT PLANS and PORTFOLIOS the most modern, specialized management is within reach of the small and medium saver so that, respecting a given risk and currency profile, he can get the most suitable investment at any given time. These are portfolios of investment funds managed by the bank to take advantage of the best opportunities in every circumstance.

International private banking

The world is our market. We are very proud of our way of banking, of our products and our management. This know how has an incalculable value both for our present customers, to whom we can offer solutions and alternatives on other financial markets, and for international investors in search of security, confidentiality and professionalism in Andorra.

The dimension achieved by the group since the merger together with the will to expand which was a factor common to Banc Agrícol and Banca Reig has enabled the range of international services to be very greatly increased and our ability to attain new projects to open up the doors to new markets to us, something which would have been more difficult for the two banks acting separately.

FEM ANDORRA (LET'S MAKE ANDORRA)

Introduction

In 2001 we have continued to advance along the road to having specialized Commercial Banking, more aimed at customers so as to be able to offer them the maximum added value.

The segmentation of Local Banking business into two different branches, Corporate and Retail, has been a success as has been demonstrated by the satisfaction shown by our customers and by a greater penetration of the Andorran market both in the segment of large Andorran businesses and in the segment of individual customers.

Loan investment in the country grew more than 15% in 2001; we have considerably improved our management mix; we have achieved an increase in investment funds of over 50% compared to the figure at December 2000 and we have developed innovatory products aimed at satisfying the real needs of our customers. By its own weight and by the welcome it has received, the Guaranteed Equity Fund - Europe II investment fund stands out thanks to the characteristics which mark it out from all funds on the Andorran market.

With regard to adaptation to the euro, we can state today that the transition to the new currency has been excellent. Grup Agrícol Reig anticipated events by setting in motion a process of conversion of accounts, banking operations and means of payment which has ensured that our customers suffered no kind of upset in their usual operations.

For all this and more we feel proud to be a bank which makes a firm commitment to the economic and social development of the country. Quite simply we feel proud to be "the Andorran bank for the people of Andorra".

Grup Agrícol Reig: the first bank of Andorra. The first with businesses

Corporate

All businesses have different financial needs which require specific solutions. Rapid developments in the financial environment and the sophistication of markets often make it difficult to find the most suitable solution for each need.

The group's Corporate channel is specialized in offering advice, services and financial support to large Andorran businesses and institutions in running their activities.

- At the Corporate office our customers receive a made to measure exclusive treatment with a team of professionals available to find solutions for their concerns to achieve their goals.
- In the environment of the new economy, the success of an operation depends on the speed and efficiency with which things are managed. Through the Corporate office our customers get ahead of their competitors with total security.
- To get the best results in our customers' operations and select the most suitable products, at the Corporate office we have the best qualified professionals, financial experts trained in the business sector.
- With the Corporate office we take the concept of tailormade banking to its fullest extent. In line with this philosophy, Corporate does not have standardized products for its customers but personalized solutions and technologies to the parameters of each area of banking services which the personal manager will see to setting up.

Compte empresa (business account)

Once again Grup Agrícol Reig is concerned for the needs of small and medium businesses. This is why it has set up a made to measure account which enables a customer to get an attractive interest rate for credit balances and enjoy exceptional conditions with a personalized credit policy for debit balances - and all this in one and the same account.



With Compte Empresa our customers enjoy a whole series of advantages:

- An account in any currency with no commissions or upkeep and administration expenses.
- A credit limit contractually defined like a credit policy. Personalized conditions and limits may be defined depending on the customer's profile.
- Banking correspondence in the language selected: Catalan, Spanish, French, Portuguese or English.
- @gricol empreses.
- Internet banking service banc@gricol.

Eureka euro

Grup Agrícola Reig, a bank in the front line of the new technologies, modern and innovatory, has designed a product which enables our customers to adapt to the arrival of the euro: this is Eureka Euro financing. Its advantages are the following:

- Financing up to 80% of the total investment in the project.
- Interest rate of the loan: the lowest on the market-
- Time limit for the loan: a maximum of 5 years depending on the project.
- Repayment: a fixed monthly quota and the possibility of not starting to pay back capital for up to a maximum of 30 months.

@gricol empreses

This year we would like to recall once more our commitment to domestic banking by the launching of @gricol empreses, the most advanced e-banking service on the market for handling the most usual banking operations of businesses, without queuing, at any time, place and moment.

Virtual SPT

We have also made available to your customers the possibility of doing business over the net. Virtual SPT (sales point terminal) enables the collection of sales and returns to be handled in a secure manner as well as keeping a statistical check per type of operation.

The first bank of Andorra. The first with the tourist sector

Paquet turisme: a 5 star banking service

With a view to strengthening our commitment to the development of the tourist sector in the Principality, we have created a product specially designed to satisfy the economic and financial needs of tourist establishments: Paquet Turisme, an overall efficient solution for the daily management of business.

It is the first package of banking services aimed at the tourist sector. A solution which will bring our customers competitive advantages in the field of new technologies, the financing of their projects and the handling of their treasury.

Eturist

The first online booking portal in Andorra which enables the hotels in the Principality to handle booking over the Internet in a simple, fast and safe way. A system with many advantages:

- Collect the price of bookings by Internet with the Virtual SPT with no need to have your own web site.
- Handle bookings with the eturist management module which can be made to personalize the look of the application and check or change customers' data and the state of bookings made. Eturist also produces automatically the answering emails to users who have made bookings, complete with the appropriate data and the Internet address for making payment through the Virtual SPT.

Compte Turisme (Tourism Account)

The ideal account for handling your treasury in a globalized manner. A single account which enables you to enjoy personalized conditions for financing debit balances and with an attractive interest rate for credit balances.

Eureka renova

Following the passing of the General law on tourist accommodation in the Principality, Banc Agrícol set up a special credit line of 5 billion pesetas called Eureka Renova aimed at the preferential financing of projects for renovating the tourist accommodation sector in Andorra.

In 2001 Banc Agrícol continued its commitment of two years ago as their were still customers who wished to renovate their hotel business.

The product Eureka Renova is characterized by flexibility in adapting the financing to the needs of each business in a form with which everyone is now familiar. What we would like to stress, however, are certain elements which distinguish it from its competitors and these are the following:

- *A global integrated product.* It is a product conceived for solving lacks in the sector, bearing in mind the importance it has for our country. It solves a wide range of needs of the hotel business of today.
- *Flexibility.* It enables improvements to be made to the building which will bring added value to the customers of the business. A choice may be made between various manners of repayment, with fixed or variable quotas depending on what is suitable.
- *Feasibility.* Depending on the conditions stipulated between customer and bank, the businessman may profit from the best conditions on the market.
- *Innovation.* Once again we are the first bank in the country to make a commitment to the economic and social development of Andorra and set up a product like Eureka Renova, the best financial solution for the hotel and tourist accommodation sector of Andorra to obtain the best classification.
- *Complementary products and services.* Billing cheques, credit cards, home money collection service and Eureka Euro, the Virtual SPT (to enable establishments to receive payment for books made through their web sites) and @gricol empreses (an application to handle the banking and administrative management of the project).

Created a series of new products and services**Compte jove (young account)**

We are committed to young people and their needs concern us. So we have created a series of highly attractive complementary products and services for this sector of the public.

All those in the 16-25 age group can have an account with very defined characteristics to which a whole series of complements are added which give it great added value.

- Account with no commissions or expenses for upkeep and administration.
- The first account in euros.
- Attractive remuneration.
- Insurance for studies if the head of the family were to die.
- Quarterly e-zine with exclusive promotions.
- Special conditions when contracting for our products.
- Free Internet **banc@gricol** banking service.
- Free financing for computer deck over 12 months.
- 1 month's free connection to the Internet (with a contract for **banc@gricol** service).
- The support web site **www.comptejove.com**, aimed at the group's Compte Jove customers and all interested Internet surfers.

Salary account

Grup Agrícol Reig concerns itself for the needs of the wage earning population in the country and offers it an account with no commissions or upkeep expenses but with a highly attractive interest rate from the very start. By domiciling your salary or pension, you can enjoy a whole series of advantages such as:

- Banking correspondence in the language selected: Catalan, Spanish, French, Portuguese or English.
- Free change of standing payment orders.
- Advantages if the salary is domiciled.



Fixed quota mortgage

It is a satisfaction for us to have launched the first fixed quota mortgage in Andorra.

The fixed quota mortgage enables you to know the amount you have to pay from the first quota to the last. This product brings a unique added value which is exceptional on the Andorran mortgage market. There is no other product in Andorra with these characteristics or anything like it.

It consists of a mortgage loan, in principle payable over 26 years, which guarantees the customer the maintaining of a constant quota throughout the life of the operation and a maximum interest rate. The period of repayment of the mortgage may vary depending on interest rates. If interest rates go up, the time limit may be prolonged to 30 years, while if they go down, the starting period of 26 years is reduced.

banc@gricol

Following yet again the innovatory line which distinguishes us, we have placed at everyone's disposal the most technologically advanced and secure Internet banking service in Andorra. This service represents a new channel for the banking dealings of our customers, available round the clock from anywhere in the world.

The main aim of the service is to offer customers a new communication channel to put them in touch with the financial services and the team of Grup Agrícola Reig.

And all this is with the certainty that both the identity of customers and the confidentiality of the transactions carried out are protected by one of the most advanced security systems of today, a unique service of Grup Agrícola Reig.

Action aimed at the portuguese community

When handling their savings, our customers know how to appreciate better than anyone else the importance of confidence and good communications with the person managing their investments.

Being aware of this reality and wishing to support the economic and social development of the Principality, we wish to be closer every day to our customers to offer them the banking solutions best suited to their needs.

That is why Grup Agrícola Reig speaks Portuguese. We have added to our team a professional from the Portuguese banking system with a great experience of the Andorran market, so that we are combining the financial solutions of the first bank in Andorra with the spokespersons best prepared to satisfy the needs of the Portuguese community in a much more personalized way.

All banking information is available to our customers in Portuguese and it is also possible to receive bank statements in Portuguese.

The widest range of credit and debit cards in the Principality of Andorra

- The first Platinum card in the Principality of Andorra with the most exclusive series of coverage (1.2 million euros for an accident), round the clock information and help services and discounts at international hotel and restaurant chains.
- The only credit cards in the Principality with free finance for 30 days whether the purchases are made in Andorra or abroad.
- The only credit cards with the option to select the mode of payment for operations: overall charge at the end of the month, fixed quota charge, percentage quota charge.
- The only credit cards in the Principality with insurance against fraudulent use, with accidental damage excess of 150 euros and covering the whole limit of credit granted.

New automatic tellers

- Replacement of all the automatic tellers of Grup Agrícola Reig by models of the latest generation.
- Development of new applications for both banks, designed and conceived to be more customer friendly.
- We are the first banking group to have automatic tellers with a tactile screen for selecting the various cash dispensing options and the most complete information about customers' card and account balances and movements.

Dataphone applications (spt)

- We are the only banking group to give the equivalent in pesetas of the sum in euros on the ticket printed out by the dataphones from 2002 onwards, so as to make the transition to the euro easier for shopkeepers and customers.
- We are the only banking group to give the shopkeeper the identification of the purchaser's country at the bottom of the dataphone ticket.
- For instance, for a card holding purchaser from the Netherlands, MERCÈS / DANK U is printed out at the bottom of the ticket.

The training of our managers

Through the offices of Grup Agrícol Reig located in all the parishes, we wish to offer customers the best products on the market, giving them ample information about all the financial possibilities and the most suitable ones for each of them, always giving them personalized attention.

This year our managers have been receiving the best possible training so as to be ready to attend to any customer need in the best possible manner.

PORTFOLIO

Grup Agrícola Reig's new range with the most competitive investment solutions on the market

With the merger of Banc Agrícola and Banca Reig we have succeeded in presenting the widest and most competitive range of investment products on the Andorran market. Our solutions adapt to the needs of every type of customer and go from maximum safety funds to investments on the most exotic markets and even include the possibility of building your own personalized portfolio.

This wide offer has placed us in the front line of new investment products and made us the first Andorran bank which to succeed in adapting to the needs of our customers by presenting various investment strategies.

At Grup Agrícola Reig we are proud to offer you a whole range of products and services which it has been possible to structure thanks to the professionalism of our managing team.

The range of investment products resulting from the merger of Banc Agrícola and Banca Reig includes 29 investment funds, 10 investment plans and the bonus of making up personalized portfolios especially created to offer alternatives for our customers' investment strategies.

This wide range of products is structured in seven categories:

- Money market
- Fixed return
- Mixed return
- Guaranteed
- Equity
- Alternative investments
- Capital Risk

Investment funds (if)

The investment funds, thanks to group management, enable small investors to profit from opportunities at the same level as larger investors. The small investor also has the option of purchasing various funds depending on his preferences and achieving a high level of diversification.

Our investment funds are the result of experienced professional management which means that customers enjoy a high level of diversification guaranteed by the stocks making up the overall portfolio.

2001 saw the launching of three new funds:

- **Guaranteed Equity Fund – Europe II**

Guaranteed Equity Fund – Europe II gives the possibility of a high return by obtaining the total increased value of the fund added to a 100% capital guarantee*. In this way Guaranteed Equity Fund – Europe II is the most attractive financial product at this moment and the only one with these characteristics on the Andorran market. Guaranteed Equity Fund Europe - II invests in stocks with positions in products of the best European equity managers and guarantees* 100% of the capital initially invested at 5 years as well as 100% of its increased value, all in equity.

*Partner's guarantee Lehman Brothers Holdings Inc.

- **Private Equity Fund**

Private Equity Fund is noteworthy for taking part in decision making on a private investment with high added value, limited in time, in the capital of businesses not quoted on the stock exchange. At present the investment of the fund is entrusted to JP Morgan and Lehman Brothers, a highly prestigious international team specializing in private equity investments. It should be noted that these are professional analysts and have a significant presence on the boards of the businesses in which they invest.

This type of investment enables high levels of return to be obtained in the long term.

Private Equity Fund is a fund of high standing and the first of this kind in Andorra, although other similar funds exist in Europe albeit with much more restrictive and less transparent conditions.

- **Bond Fund – Corporate**

This is an fund 100% invested in private fixed return and issued only in euros. It should be noted that this product differs from high yields by the high credit rating of the businesses composing it, first world class firms which issue in euros. It belongs with a conservative profile.

The minimum ratings of the issuers to be invested in will be:

- Moody's A3
- S&P A-
- Ibca A-

This fund enables a customer to diversify his positions in fixed return and opt for a higher return while enjoying a high credit rating.

It should also be noted that in the Grup Agrícol Reig range of products Bond Fund Global and Money Market Fund-EUR have the highest credit guarantee with Moody's Aaa rating consolidated now for the third year running.

Multimanager fund portfolios (mfp)

Investment plans are an exclusive product of Grup Agrícol Reig, entirely composed of own investment funds and other funds coming from the world's best managers and designed for various risk profiles.

The main novelties marking the year 2001, which have earned us the exclusive label on the Andorran market, have been above all the sector investment plans: Banking & Finance and Medical & Pharma.

Banking & Finance is a plan 100% invested in equity through active management in funds of financial bodies (mainly banks and insurance companies) worldwide. The investment is divided up 50:50 between businesses in the European financial sector and businesses in the international financial sector. The portfolio has the euro as reference currency. It is aimed at investors with an aggressive profile.

Medical & Pharma is a plan 100% invested in equity through active management in funds related to the pharmaceutical and biotechnological sectors worldwide. The investment is made mainly in businesses in the pharmaceutical and medical sector (defensive sector) with a certain proportion in businesses with a great activity worldwide in biotechnology (higher growth sector). The geographical spread of the investment is 100% worldwide. The portfolio has the euro as reference currency. It is aimed at investors with an aggressive profile.

Personalized portfolios

Grup Agrícol Reig's vision in portfolio management is to carry out a follow up of our professional services, such as in return. Together with the customer we draw up a plan of portfolios which suits his expectations and needs. The analysis of the economic environment and moment and global experience in the field of investment enable us to offer a sophisticated on-going management and consultancy service.

So the year 2001 saw the launching on the market of the portfolios Top Ten USD and Top Ten EUR, which offer alternative investment strategies based on the stocks with highest return per dividend.

Top Ten USD is a portfolio of American equity invested in the 10 stocks with highest return per dividend on the Dow Jones 30 index. The model is dynamic in nature with a long term horizon of investment (5 to 7 years). By its strategy the aim of the portfolio is to obtain a return higher than the benchmark index.

Top Ten EUR is a portfolio of European equity invested in the 10 stocks with highest return per dividend on the EuroStoxx 50 index. The model is aggressive in nature with a long term horizon of investment (5 to 7 years). By its strategy the aim of the portfolio is to obtain a return higher than the benchmark index.

At Grup Agrícol Reig, by means of a joint analysis of these factors with the customer, we offer each customer a personalized assessment so that his choice will be the most suitable one and his investments will be diversified and achieve a high level of stability.

Món Gestió, S.A., Grup Agrícol Reig's fund manager recognized with the quality certificate UNE EN ISO 9001: 2000, is at your disposal to inform you about the conditions governing these funds.

Grid of investment products

		Regularity							Return
Markets	Stock	Reduced risk			Medium risk		High risk		
Global		^{Aaa} Bond Fund - Global	Bond Fund - Corporate	Alternative Fund - Moderate	Balanced Fund - Global	Alternative Fund - Growth	Equity Fund - Global	Private Equity - Fund	
Europe		^{Aaa} Money Market Fund - EUR	Money Market Diner Fund - EUR	Bond Fund - EMU	Bond Fund - High Yield - EUR	^{100% Capital Growth} Guaranteed Equity Fund - Europe I	^{100% Capital Growth} Guaranteed Equity Fund - Europe II	Equity Fund - Europe	Equity Fund - Spain
USA		Money Market Fund - USD	Bond Fund - USA		Bond Fund - High Yield - USD	Balanced Fund - USA	Equity Fund - USA - EUR	Equity Fund - USA	
Japan								Equity Fund - Japan	
Emerging		Money Market Fund - High Yield - EUR					Equity Fund - Global Emerging Markets	Equity Fund - New Europe	
Risk management	Stock management		Portfolio Conservative	Portfolio Moderate	Portfolio Dynamic		Portfolio Accumulation		
Investment plans		Moderate EUR	Moderate Global	Balanced EUR	Balanced Global	Growth Global	Global High Growth EUR Global High Growth USD Banking & Finance Medical & Pharma High Technology		

In 1998, 1999 and 2000 the well known rating agent Moody's rated Money Market Fund - EUR and Bond Fund - Global Aaa, the highest rating level for assets and management which an investment fund can be awarded.

MFP* = Multimanager Funds Portfolio

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NEW CHANNELS

New Channels: a new generation of banking services: global, safe and human

The size of the group's international project forced it to carry out an important strategic planning exercise in 2001 to equip ourselves with an organizational structure able to face the new challenges: optimization of quality of service, pro-active evaluation and the follow up of results.

The designing of new applications and the consolidation of services set in motion during the fourth quarter of 2001 have been the main tasks of the New Channel Area which manages a portfolio of services which is a leader on the Andorran market.

- The safest and most global Internet banking in Andorra.
- Specialized electronic banking for the country's shops and businesses.
- The most effective electronic shopping solutions to do business over the Internet.
- Andorra's first online tourism and booking portal to enhance the tourist sector to the maximum.
- The online investment centre which offers the best information for taking decisions about investing.
- Banking by phone with the most user friendly treatment.

Although personal attention and customers' visits to our offices are still the main communication channel for banking operations, customers are more and more attracted to the advantages offered by the new channels. These services, which at first glance seem cold and distant, value the relationship with customers and strengthen personalization, consultancy and confidentiality.

Internet banking: the most advanced and safest Internet banking in Andorra

This service, which was set in motion at the beginning of April, had more than 1200 users from around the world by the end of December. Through it, the group makes available to its customers the key to access the most advanced and safest Internet banking in Andorra. A channel for personal management, available round the clock, which brings the financial services and the team of Grup Agrícol Reig to any place in the world.

Online operations and checking

- Checking out overall capital.
- Checking out the balances and movements of accounts and cards.
- Assignments and transfers.
- Follow up and management of stock portfolios.
- Subscriptions to and repayment of investment funds.
- Purchase and sale of online stocks on the most important stock markets worldwide.
- Checking out loans and personalized repayment plans.

State of the art security

The identity and confidentiality of your transactions are guaranteed by one of the world's most advanced security systems which is unique in Andorra.

Electronic banking for businesses: to avoid queuing at the bank

This specialized electronic banking service for Andorra's businesses and shops has been one of the applications most appreciated in business circles thanks to the time saving it makes possible and the adaptation of its operations to the specific needs of each business. The geometrical increase in its use by the businesses using it is the clearest proof of user satisfaction.



This application makes the mass treatment of the most usual banking operations possible in a swift and secure manner:

- Mass transfer of files
Electronic portfolio, receipts, transfers and payrolls.
- Downloading files
Operations with cards done through physical or virtual SPTs and well as statement files to be integrated in the process of balancing the accounts.
- Electronic signature
To make certain which persons in the company may sign electronically so that the files reach the bank.

Electronic shopping: global solutions for doing business over the Internet

Although electronic shopping is growing far less than expected in Andorra as in the rest of the world, at Grup Agrícola Reig we have continued to innovate so as to offer customers maximum facilities when doing business over the net. The main advances in this field have been:

- 3rd version of the virtual spt
A free sales point terminal for virtual establishments which guarantees the safe collection of operations carried out over the Internet with optimum security systems SSL and CVV2 (additional customer identification code).
- Return module
Essential for the shop to be able to make total or partial returns of operations and check all operations accepted or refused as well as to download data files for its statistics.
- Agreements with developers in the Principality who are specialized in setting up web site and e-shopping solutions at competitive prices.

Eturist.ad: Andorra's first online tourism and booking portal

Eturist has been without a doubt the most successful e-shopping service on the Andorran market with more than sixty hotels and shops represented. This service has received an exceptional welcome thanks to ease of access and the great advantages it brings.

Eturist.ad, the first Tourist Portal in Andorra, enables net surfers to make 100% online bookings at the tourist accommodation sites taking part. This service offers users the possibility of comfortably planning their stay in Andorra with a collection of the best sources of information about activities, leisure, culture etc. Establishments taking part profit from:

- Online bookings in all kinds of tourist accommodation
Hotels, apart-hotels, camp sites... with no need for the establishment to have its own web site.
- Compatibility with other web sites and booking systems
Eturist is an additional channel for promoting and acquiring business for the establishment and is compatible with other systems.
- Personalized management by the establishment
By means of a private access, the establishment handles at all times customer data, the state of bookings, email replies in various languages and the updating of prices, logos and colours, as well as any eventual total or partial repayments.
- Tourist information point for the Principality
The extensive collection of tourist information about the Principality makes it easier for customers to plan their stay in Andorra (access, weather, transit, restaurants, shops, state of snow, excursions, tourist offices etc).



- Surfer transit

Of great interest for the sector, thanks to the access to eturist.ad through the web sites of Grup Agrícola Reig (agricol.com, agricolreig.com and bancareig.com).

Parquetvirtual: the online investment centre

At a time when customers are suffering from an overdose of information, parquetvirtual offers the advantage of filtering data. This service gives you free the best personalized analysis tools to handle investments successfully:

- News

The most prestigious international sources: news, weekly reports on fixed return, equity and currency, and special reports on markets.

- Recommendations

The most advantageous recommendations are made daily. Through technical analysis and basic analysis, we inform at all times on which stocks are showing signs of being bought or sold as well as other indicators, rankings and ratios of the main indexes and stocks.

- Interactive graphics

Personalized access to the interactive graphic analysis of more than 5000 different shares: term dates, types of graphs, possibility to edit and keep your personal comments on the graph and see the development of the analytic indicators chosen throughout the period selected as well as to draw personalized trend lines.

Resource centre

- A space designed to support the use of parquetvirtual at all times, with a financial glossary, calculators to simulate loans and mortgages, training documents on portfolio management and basic investment criteria.

Banking by phone

This service, which was set in motion early in 1997, had more than 3000 users from around the world by last December. There is no doubt that the development of communications has brought about important changes in habits and customs. Today the phone enables users of the service to contact the bank and do operations with it from any point on the planet. The spectacular growth of mobile phones is worth noting as this has made access to the service even easier from places where in former years it would have been unthinkable.

The group provide customers with a module and a personal PIN which when inserted gives an access password to the service.

A channel which works nonstop from 08.45 through 20.00 and brings each customer of Grup Agrícola Reig a financial evaluation and personalized human contact at any time in any corner of the world.

Online operations and checking

- Checking out overall capital.
- Checking out the balances and movements of accounts and cards.
- Assignments and transfers.
- Follow up and management of stock portfolios.
- Subscriptions to and repayment of investment funds.
- Purchase and sale of online stocks on the most important stock markets worldwide.
- Consultancy on stock market trends.