

Section 5 - Other assets

Assets	1999	1998	Changes	
			amount	%
Caption 150				
Other assets	45,910,070	33,463,760	12,446,310	37.19
Caption 160				
Accrued income and prepaid expenses				
a) accrued income	7,414,578	7,062,302	352,276	4.99
b) prepaid expenses	729,122	792,787	(63,665)	(8.03)
	8,143,700	7,855,089	288,611	3.67

5.1 Breakdown of caption 150 "Other assets"

Adjustments to off-balance sheet contracts	15,126,081
Due from fiscal authorities	6,534,716
Securities/foreign currencies - outstanding balances	4,056,671
Premiums on the purchase of options	3,466,993
Tax collection accounts - outstanding balances	2,506,943
Due from fiscal authorities for prepaid taxes	2,382,169
Amounts to be debited under processing	2,032,309
Transit items between branches	1,685,333
Bank cheques drawn on third parties to be settled	1,423,220
Assets related to tax collection activities	875,205
Guarantee deposits	729,870
Loans for transactions in securities	496,836
Loans for off-balance sheet contracts	489,985
Loans for transactions in foreign currency	306,102
Other	3,797,637
Total	45,910,070

5.2 Breakdown of caption 160 "Accrued income and prepaid expenses"

Accrued income and prepaid expenses refer to the statement of income items set out in detail in the following tables.

Accrued income

Differentials on off-balance sheet transactions	3,632,038
Interest on securities	1,409,787
Interest income and similar income - customers	1,034,084
Interest income and similar income - banks	1,017,550
Bank commissions and other income	103,322
Income from repurchase agreement transactions on securities	54,617
Other	163,180
Total	7,414,578



Prepaid expenses

Discounts on issued bonds	196,378
Differentials on off-balance sheet transactions	180,490
Commissions for placement of securities	104,052
Rents paid	28,508
Premiums on securities issued	11,178
Insurance premiums	8,923
Interest expense and similar charges on deposits from customers	6,499
Charges on contango loans and repurchase agreement transactions	6,312
Other	186,782
Total	729,122

5.3 Adjustments on accrued income and prepaid expenses

The 1999 financial statements did not apply Art. 12.2 of Legislative Decree 87/92 which permits, when technically appropriate, the deduction or addition of adjustments directly from the assets or liabilities to which they refer.

The only exception is represented by the accrued interest on zero-coupon bonds, which appear in the Bank's portfolio, and by the issue discounts, which - as specifically required by the Bank of Italy - have been partly accounted for as an increase in the value of securities and partly among "Due from tax authorities".

5.4 Distribution of subordinated assets

a) Due from banks	43,289
b) Loans to customers	129,211
c) Bonds and other debt securities	581,989
Total	754,489

Section 6 - Debts

Liabilities	1999	1998	Changes	
			amount	%
Caption 10				
Due to banks	159,879,209	148,404,249	11,474,960	7.73
Caption 20				
Due to customers	204,392,380	192,554,815	11,837,565	6.15
Caption 30				
Securities issued	116,792,069	114,175,162	2,616,907	2.29
Caption 40				
Deposits and public funds under administration	161,959	162,953	(994)	(0.61)

6.1 Analysis of caption "Due to banks "

a) Repurchase agreements	31,965,922
b) Securities lending contracts	35,044

- In Due to banks "repurchase agreements" refer to transactions with the Bank of Italy for 13,269,109 million lire and other banks for 18,696,813 million lire.

Due to banks (caption 10)

Subcaptions	Lire/euro	Currency	Total
a) Due repayable on demand			
• service accounts	3,781,971	1,626,967	5,408,938
• free deposits	10,819,051	1,827,325	12,646,376
• other	54,459	169,384	223,843
Total	14,655,481	3,623,676	18,279,157
b) Term deposits or with notice period			
• term deposits	39,830,526	56,140,405	95,970,931
• loans	3,318,932	1,896,069	5,215,001
• securities lending contracts	35,044	-	35,044
• repurchase agreements	25,243,084	6,722,838	31,965,922
• other	3,438,436	4,974,718	8,413,154
Total	71,866,022	69,734,030	141,600,052
Total	86,521,503	73,357,706	159,879,209
including			
• residents	36,078,766	2,761,172	38,839,938
• non residents	50,442,737	70,596,534	121,039,271

6.2 Analysis of caption "Due to customers"

a) Repurchase agreements	13,002,023
b) Securities lending contracts	216,661

**Due to customers (caption 20)**

Subcaptions	Lire/euro	Currency	Total
a) Due repayable on demand			
• savings deposits	11,984,215	3,802,830	15,787,045
• current accounts	132,374,839	7,362,267	139,737,106
• other	234,412	378,997	613,409
Total	144,593,466	11,544,094	156,137,560
b) Time deposits or with notice period			
• savings term deposits	2,617,332	1,775,377	4,392,709
• current accounts	5,651,591	18,120,015	23,771,606
• repurchase agreements	11,537,022	1,465,001	13,002,023
• factoring	3,504,023	67,088	3,571,111
• other	2,347,287	1,170,084	3,517,371
Total	25,657,255	22,597,565	48,254,820
Total	170,250,721	34,141,659	204,392,380
including			
• residents	159,632,762	4,516,991	164,149,753
• non residents	10,617,959	29,624,668	40,242,627

- Deposit-taking repurchase agreements refer both to securities in the proprietary portfolio and to securities bought by means of repurchase agreements carried out for cash management purposes.
Book value of securities in the proprietary portfolio used in repurchase agreements totalled 14,790,850 billion lire as at 31st December 1999.

Securities issued (caption 30)

Subcaptions	Lire/euro	Currency	Total
a) Bonds	71,471,891	1,693,884	73,165,775
b) Certificates of deposit			
• short-term	13,669,012	13,633,886	27,302,898
• medium-term	7,865,804	1,384,395	9,250,199
Total	21,534,816	15,018,281	36,553,097
c) Other securities			
• bank cashiers' cheques	2,512,969	227,257	2,740,226
• acceptances	62,868	2,957,458	3,020,326
• other	859,705	452,940	1,312,645
Total	3,435,542	3,637,655	7,073,197
Total	96,442,249	20,349,820	116,792,069
including			
• residents	91,903,674	2,183,288	94,086,962
• non residents	4,538,575	18,166,532	22,705,107

- Short-term certificates have maturities under 18 months.

Deposits and public funds under administration (caption 40)

Deposits and public funds under administration	161,959
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The breakdown of deposits and public funds under administration is the following:

Funds received from the Italian Government	69,216
Funds received from regional authorities	30,670
Funds received from other public agencies	62,073

Section 7 - Allowances

Liabilities	1999	1998	Changes	
			amount	%
Caption 70				
Allowance for employee termination indemnities	2,911,010	2,871,617	39,393	1.37
Caption 80				
Allowances for risks and charges				
a) pensions and similar commitments	2,593,260	2,512,399	80,861	3.22
b) taxation	4,714,772	4,247,292	467,480	11.01
c) other	2,165,889	1,183,119	982,770	83.07
	9,473,921	7,942,810	1,531,111	19.28
Caption 90				
Allowance for possible loan losses	685,719	885,842	(200,123)	(22.59)

Allowance for employee termination indemnities (caption 70)

The balance as at 31st December 1999 amounted to 2,911,010 million lire and reflected the following changes:

Initial amount	2,871,617
Paid out indemnities	(287,237)
Amounts given following current regulations or specific contracts	(32,376)
Amounts given to outside asset managers	(28,450)
Provisions for the year	228,889
Other changes	158,567
End-of-year amount	2,911,010

"Other changes" include provisions for the year for 159,833 million lire carried out by the Banca Commerciale Italiana Group, net of 1,266 million lire of foreign exchange differences and other minor adjustments.

7.1 Breakdown of caption 90 "Allowance for possible loan losses"

Capital reimbursement	195,616
Interest on overdue payments	490,103
Total	685,719

7.2 Variation in "Allowance for possible loan losses" (caption 90)

Balance as at 31st December 1999 amounted to 685,719 million lire and reflected the following changes:

A. Initial amount	885,842
B. Increases	169,616
b.1 provisions	137,861
b.2 other changes	31,755
C. Decreases	(369,739)
c.1 uses	(285,501)
c.2 other changes	(84,238)
D. End-of-year amount	685,719