

Other administrative costs

	1999	1998	Change
Taxes	513,969	469,016	9.58%
Costs of computer services	404,483	379,861	6.48%
Expenses for consultancy fees	266,741	158,404	68.39%
Postal, telephonic, telegraphic and teletransmission expenses	256,592	259,635	(1.17%)
Leasing charges	252,529	245,185	3.00%
Expenses for maintenance	175,179	200,388	(12.58%)
Expenses for advertising and promotional activities	143,581	145,297	(1.18%)
Legal expenses	120,979	94,336	28.24%
Lighting, central heating and air conditioning expenses	85,116	90,565	(6.02%)
Costs of printing and stationery	72,214	73,494	(1.74%)
Training expenses and reimbursements for personnel	71,864	67,016	7.23%
Expenses for delivery services	69,925	78,022	(10.38%)
Insurance premiums	63,981	58,437	9.49%
Machine renting charges	62,726	39,452	58.99%
Cleaning expenses	61,053	69,302	(11.90%)
Security expenses	50,831	46,557	9.18%
Information expenses	15,815	23,511	(32.73%)
Other administrative costs	169,790	249,652	(31.99%)
Total	2,857,368	2,748,130	3.97%

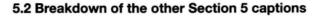
Section 5 - Adjustments, write-backs and provisions

			Changes	
Statement of income	1999	1998	amount	%
Caption 90		ē		
Adjustments to				
tangible and intangible fixed assets	1,008,905	869,373	139,532	16.05
Caption 100				
Provisions for risks and charges	356,835	105,880	250,955	237.02
Caption 120				
Adjustments to loans and provisions				
for guarantees and commitments	1,600,841	1,538,303	62,538	4.07
Caption 130				
Write-back of adjustments to loans and				
provisions for guarantees and commitments	469,155	398,364	70,791	17.77
Caption 140				
Provisions for possible loan losses	137,861	194,910	(57,049)	(29.27)
Caption 150				
Adjustments to financial fixed assets	48,432	43,383	5,049	11.64
Caption 160				
Write-backs of financial fixed assets	2,455	1,436	1,019	70.96
Caption 230				
Change in the reserve for general banking risks	221,250	29,004	192,246	662.83

5.1 Breakdown of caption 120 "Adjustments to loans and provisions for guarantees and commitments"

	19	99	19	98	Change
a) Adjustments to loans including		1,561,753		1,531,017	2.01%
 lump sum adjustments for Country risk 	25,418		57,517		
 other lump sum adjustments 	178,253		149,377		
b) Provisions					
for guarantees and commitments including		39,088		7,286	-
 lump sum adjustments for Country risk 			4,512		
 other lump sum adjustments 	10,805		1,679		
Total		1,600,841		1,538,303	4.07%





Caption 90 "Adjustments to tangible and intangible fixed assets"

	1999	1998	Change
Depreciation of tangible fixed assets	422,151	416,507	1.36%
Amortisation of intangible fixed assets	365,277	307,259	18.88%
Permanent write-downs of tangible fixed assets	_	6,736	-
Permanent write-downs of intangible fixed assets	90,850	-	-
Amortisation of goodwill arising on consolidation and on application of the equity method	130,627	138,871	(5.94%)
Total	1,008,905	869,373	16.05%

Caption 100 "Provisions for risks and charges"

	1999	1998	Change
Legal disputes and amounts reclaimed	209,097	20,032	-
Provisions for guarantees given	42,000	-	-
Provisions for losses on equity investments	10,000	_	-
Provisions pursuant Art. 16 of CONSOB Regulation 5386	2,000	6,000	(66.67%)
Customer supplementary indemnities	_	2,374	-
Other forecasted charges	93,738	77,474	20.99%
Total	356,835	105,880	237.02%

Caption 130 "Write-back of adjustments to loans and provisions for guarantees and commitments"

This item of the statement of income contains write-backs in the value of loans and provisions carried out in previous years to cover guarantees and commitments for which the reasons for write-downs no longer apply.

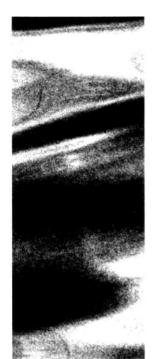
Write-back of adjustments refer to:

	1999	1998	Change
Loans	458,455	373,576	22.72%
Provisions for guarantees and commitments	10,700	24,788	(56.83%)
Total	469,155	398,364	17.77%

Caption 140 "Provisions for possible loan losses"

	1999	1998	Change
Provisions in the year			
 principal repayments 	3,950	37,852	(89.56%)
 interest on non-performing loans 	133,911	157,058	(14.74%)
Total	137,861	194,910	(29.27%)

All provisions carried out by companies for exclusively fiscal purposes have been eliminated in the consolidated financial statements.



Caption 150 "Adjustments to financial fixed assets"

	1999	1000 1000	Change	s
		1998	amount	%
Adjustments to financial fixed assets	48,432	43,383	5,049	11.64

These write-downs have been carried out following permanent losses from minority equity investments' book value.

Caption 160 "Write-backs of financial fixed assets"

	1999	1999 1998	Change	s
			amount	%
Write-backs of financial fixed assets	2,455	1,436	1,019	70.96

Similarly to write-backs of loans (caption 130) this item contains write-backs in book value of certain equity investments which had been written down in previous years since the reasons for such write-downs no longer apply.





Section 6 - Other statement of income captions

•	4000		Changes	
Statement of income	1999	1998	amount	%
Caption 70				
Other operating income	834,233	819,695	14,538	1.77
Caption 110				
Other operating expenses	154,428	165,242	(10,814)	(6.54)
Caption 190				
Extraordinary income	1,980,651	471,742	1,508,909	319.86
Caption 200				
Extraordinary charges	870,174	279,505	590,669	211.33
Caption 30				
Dividends and other revenues	184,910	49,640	135,270	272.50
Caption 240				
Income taxes for the year	630,480	1,409,980	(779,500)	(55.28)

6.1 Breakdown of caption 70 "Other operating income"

	1999	1998	Change
Tax recovery	381,435	379,557	0.49%
Legal expenses	34,543	39,880	(13.38%)
Insurance costs recovery	15,124	19,803	(23.63%)
Real estate rentals and recovery of expenses	38,267	45,991	(16.79%)
Recovery of expenses for seconded personnel	17,986	1,243	-
Income from software projects	14,985	14,869	0.78%
Swap indices on bonds	58,320	100,527	(41.99%)
Capital gains on disposal of merchant banking equity investments	53,468	18,233	193.25%
Other income	220,105	199,592	10.28%
Total	834,233	819,695	1.77%

6.2 Breakdown of caption 110 "Other operating expenses"

	1999	1998	Change
Expenses related to leasing contracts	18,806	25,830	(27.19%)
Swap indices on bonds	57,469	101,721	(43.50%)
Other expenses	78,153	37,691	107.35%
Total	154,428	165,242	(6.54%)