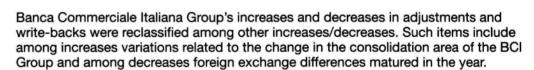


Other increases mainly refer to changes in the consolidation area of Banca Commerciale Italiana Group (non-performing loans and problem loans) and to the different classification of Countries "at risk" as defined by the Bank of Italy. Other decreases mainly relate to foreign exchange differences matured in the period.

Loans to customers - Evolution of total adjustments

	Non-performing loans	Problem loans	Loans under restructuring	Restructured loans	Loans subject to Country risk	Performing loans
A. Initial total adjustments a.1 including • interest on	10,236,412	903,028	82,564	352,188	251,860	1,324,798
non-performing loans	4,610,134	189,399	10,115	-	-	11,573
B. Increases	4,969,848	812,838	56,790	139,303	67,120	980,895
b.1 adjustments b.1.1 including • interest on	1,333,657	299,395	2,520	46,252	21,671	185,307
non-performing loans b.2 uses of allowance	s 466,203	20,378	-	207	-	3,683
for possible loan losses b.3 transfers from other	281,721	48,798	-	-	_	-
loan categories b.4 other increases	554,201 2,800,269	124,830 339,815	22,689 31,581	22,864 70,187	466 44,983	11,879 783,709
C.Decreases	(2,974,638)	(767,925)	(79,459)	(173,923)	(66,281)	(610,996)
c.1 write-back of adjustments c.1.1 including • interest on	(55,162)	(51,156)	(1,562)	(3,786)	(2,014)	(28,319)
non-performing loans	s (9,888)	(3)	_	_		(6,336)
c.2 values recovery on collection c.2.1 including • interest on	n (160,886)	(37,704)	(1,913)	(20,162)	(10,771)	(16,886)
non-performing loans	s (34,222)	(1,946)	-	-	-	(7,321)
c.3 cancellations c.4 transfers to other	(1,982,717)	(306,059)	(27,771)		(452)	(35,863)
loan categories c.5 other decreases	(47,811) (728,062)	(315,899) (57,107)	(48,213) -	(111,029) (6,436)	(1,429) (51,615)	(212,548) (317,380)
D. Final total adjustments d.1 including • interest on	12,231,622	947,941	59,895	317,568	252,699	1,694,697
non-performing loans	5,041,848	145,034	-	207	-	8,748



Due from banks - Cash loans

Categories/Values	Gross exposure	Total adjustments	Net exposure
A. Doubtful loans			
a.1 non-performing loans	53,708	(43,222)	10,486
a.2 problem loans	14,724	(12,072)	2,652
a.3 loans under restructuring	_	_	-
a.4 restructured loans	-	_	_
a.5 loans subject to Country risk	1,490,398	(459,496)	1,030,902
B. Performing loans	83,374,612	(3,800)	83,370,812
Total	84,933,442	(518,590)	84,414,852

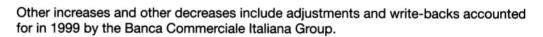
Due from banks - Evolution of doubtful loans

	Non-performing loans	Problem loans	Loans under restructuring	Restructured loans	Loans subject to Country risk
A. Initial gross exposure a.1 including • interest on	49,173	14,437	-	2,214	1,920,889
non-performing loans	1,266	-	-	-	-
B. Increases	67,797	14,280	-	_	18,427
b.1 inflows from performing loansb.2 interest on	17,866	-	-	-	9,763
non-performing loans b.3 transfers from other	1,166	-	-	-	3
doubtful loan categories	14,093	12,545	_	-	_
b.4 other increases	34,672	1,735	-	-	8,661
C. Decreases	(63,262)	(13,993)	_	(2,214)	(448,918)
c.1 outflows to performing loans	_	_	_	(2,214)	(308,062)
c.2 cancellations	(38,676)	_	-		
c.3 inflows	(2,815)	_	_	_	(57,367)
c.4 amounts following sales c.5 transfers to other	(20,419)	-	-	-	-
doubtful loan categories	_	(13,993)	_	-	(12,645)
c.6 other decreases	(1,352)	-	-	-	(70,844)
D. Final gross exposure d.1 including	53,708	14,724	-	-	1,490,398
 interest on non-performing loans 	-	-	-	-	3



Due from banks - Evolution of total adjustments

	Non-performing loans	Problem loans	Loans under restructuring	Restructured loans	Loans subject to Country risk	Performing
A. Initial total adjustments a.1 including • interest on	35,018	5,928	-	114	316,693	30,383
non-performing loans	1,266	-		_	-	_
B. Increases	64,952	12,022	_	_	204,380	1,377
b.1 adjustments b.1.1 including • interest on	17,403	7,343	-	-	3,101	-
non-performing loans b.2 uses of allowance	1,167	-	-	-	-	-
for possible loan losses b.3 transfers from other	-	-	-	1-1	-	-
loan categories	5,879	4,679	_	-	-	-
b.4 other increases	41,670	-	-	-	201,279	1,377
C. Decreases	(56,748)	(5,878)	_	(114)	(61,577)	(27,960)
c.1 write-back of adjustments c.1.2 including • interest on	_	-	-	(114)	(9,091)	_
non-performing load		-	_	_	_	-
c.2 values recovery on collection c.2.1 including • interest on		-	-	-	(7,751)	-
non-performing loans		-	-	-	-	-
c.3 cancellationsc.4 transfers to other	(53,035)	-	-	-	-	-
loan categories	-	(5,877)	-	-	(4,681)	_
c.5 other decreases	(3,713)	(1)	-	-	(40,054)	(27,960)
D.Final total adjustments d.1 including • interest on	43,222	12,072	-	-	459,496	3,800
non-performing loans	1,370	-	-	-	3	_



- As required by law, adjustments recorded in the above tables are classified in the financial statements as a reduction in the book value of the outstanding loans.
- Loans under restructuring or restructured loans are loans for which lower-than-market interest rates have been or are in the process of being granted.
- Loans subject to Country risk comprise positions with residents in Countries that have difficulties in servicing foreign debt.
- As described in the valuation criteria section, aside loans subject to specific
 adjustments, other loans have been subject to lump-sum adjustments by applying
 predetermined percentages calculated to reflect resident Countries difficulty in
 servicing debt (Country risk) or their sector's solvency situation.
- So-called "generic coverage" of loans subject to lump-sum adjustments amounted to 1,695 billion lire.
- Non-performing loans to total loans to customers ratio equalled 4%;
 this percentage, gross of adjustments, rose to 7.6% (the corresponding figures as at 31st December 1998 were 4.6% and 7.9% respectively).



Section 2 - Securities

			Changes		
Assets	1999	1998	amount	%	
Caption 20		*			
Treasury bills and similar bills eligible					
for refinancing with central banks	21,571,870	30,625,933	(9,054,063)	(29.56)	
Caption 50					
Bonds and other debt securities	91,797,515	70,745,662	21,051,853	29.76	
Caption 60					
Shares, quotas and					
other forms of capital	3,826,983	1,908,925	1,918,058	100.48	

2.1 Investment portfolio

Captions/values	Book value	Market value
1. Debt securities	26,955,929	27,236,216
1.1 Government securities	16,392,757	16,817,625
 traded on regulated markets 	16,251,854	16,672,621
• unlisted	140,903	145,004
1.2 other securities	10,563,172	10,418,591
traded on regulated markets	7,687,297	7,582,016
• unlisted	2,875,875	2,836,575
2. Shares, quotas and other forms of capital	_	_
 traded on regulated markets 	-	_
• unlisted	-	-
Total	26,955,929	27,236,216

2.2 Annual changes in investment portfolio

A. Initial amount	17,916,965
B. Increases	18,175,967
b.1 purchases	8,372,544
b.2 write-backs	2,361
b.3 transfers from the trading portfolio	9,273,626
b.4 other changes	527,436
C. Decreases	(9,137,003)
c.1 sales	(3,635,874)
c.2 principal repayments	(4,158,372)
c.3 adjustments	(14,009)
c.4 transfers to the trading portfolio	(1,256,348)
c.5 other changes	(72,400)
D. End-of-year amount	26,955,929

Securities held for investment represent a long-term investment and are therefore normally held till maturity. Pursuant CONSOB and Bank of Italy regulations, the Boards of Directors of the companies which hold the investment portfolio have made a general resolution regarding fundamental characteristics of the investment portfolio and its relative size.



2.3 Trading portfolio

Captions/values	Book value	Market value
1. Debt securities	86,413,455	86,469,919
1.1 Government securities	45,848,678	45,848,832
 traded on regulated markets 	45,740,170	45,740,317
 unlisted 	108,508	108,515
1.2 other securities	40,564,777	40,621,087
 traded on regulated markets 	19,918,639	19,893,451
• unlisted	20,646,138	20,727,636
2. Shares, quotas and other forms of capital	3,826,984	3,975,643
 traded on regulated markets 	3,431,768	3,576,711
• unlisted	395,216	398,932
Total	90,240,439	90,445,562

2.4 Annual changes of trading portfolio

A. Initial amount	85,363,555
B. Increases	1,685,815,490
b.1 purchases	1,678,666,133
debt securities	1,624,160,073
 Government securities 	1,322,534,271
 other securities 	301,625,802
 shares, quotas and other forms of capital 	54,506,060
b.2 write-backs and other forms of capital	341,558
b.3 transfers from the investment portfolio	1,256,348
b.4 other changes	5,551,451
C. Decreases	(1,680,938,606)
c.1 sales and principal repayments	(1,669,881,991)
debt securities	(1,617,342,924)
 Government securities 	(1,321,871,383)
other securities	(295,471,541)
 shares, quotas and other forms of capital 	(52,539,067)
c.2 adjustments	(837,337)
c.3 transfers to the investment portfolio	(9,273,626)
c.4 other changes	(945,652)
D. End-of-year amount	90,240,439

• Securities in the trading portfolio are held for treasury and trading purposes.