

## Part C: Information regarding the consolidated statement of income

As in the balance sheet, as well as the compulsory forms relative to the statement of income, other tables with additional information have been supplied.

If not otherwise stated, all amounts are expressed in millions of lire.

### Section 1 - Interest

Statement of income	1999	1998	Changes	
			amount	%
<b>Caption 10</b>				
Interest income and similar revenues	15,997,759	18,889,863	(2,892,104)	(15.31)
<b>Caption 20</b>				
Interest expense and similar charges	(9,358,001)	(12,056,300)	2,698,299	(22.38)

#### 1.1 Breakdown of caption 10 "Interest income and similar revenues"

Interest income and similar revenues refer to:

	1999	1998	Change
a) On amounts due from banks including	1,819,997	2,850,654	(36.16%)
• deposits with central banks	69,782	367,453	
b) On loans to customers including	9,806,817	12,381,323	(20.79%)
• loans with public funds under administration	788	826	
c) On debt securities	3,623,780	3,478,083	4.19%
d) Other interest income	44,044	34,126	29.06%
e) Positive differentials on hedging transactions	703,121	145,677	-
<b>Total</b>	<b>15,997,759</b>	<b>18,889,863</b>	<b>(15.31%)</b>

Interest on overdue payments matured during the year is accounted for among interest income to the extent that it has been collected or is deemed to be collectable.

#### 1.2 Breakdown of caption 20 "Interest expense and similar charges"

	1999	1998	Change
a) On amounts due to banks	2,987,940	3,567,981	(16.26%)
b) On amounts due to customers	1,757,232	3,165,572	(44.49%)
c) On other securities issued including	4,219,080	5,034,380	(16.19%)
• on certificates of deposit	1,155,481	1,570,026	
d) On loans with public funds under administration	238	338	(29.59%)
e) On subordinated liabilities	393,511	288,029	36.62%
f) Negative differentials on hedging transactions	-	-	-
<b>Total</b>	<b>9,358,001</b>	<b>12,056,300</b>	<b>(22.38%)</b>

- The difference between interest on securities issued (point c) and the amount reported in caption 20 of the statement of income (which amounted to 318,584 million lire) refers to interest on subordinated liabilities which, in this table, is classified separately (point e - "Interest on subordinated liabilities").

Hedging transactions are stipulated with the objective of modifying the technical and return characteristics of traditional funding and lending instruments; their aim is to limit the effects of adverse oscillations in interest rates on net interest and other banking income or index to lire assets and liabilities denominated in foreign currencies. The alignment to market parameters obtained via such instruments may change considerably the contractual returns of the underlying assets. The figure contained in table 1.1 letter f) corresponds to the net balance of differentials received and paid. For a clearer understanding of the effects on the interest margin, the following table containing reclassified data is provided.

Category	Gross amount	Differential on hedging	Net amount
<b>Interest income and similar revenues</b>			
• on loans to customers	9,806,817	1,652	9,808,469
• on debt securities	3,623,779	(520,373)	3,103,406
• interest on compulsory reserve	69,782	-	69,782
• dividends	184,910	-	184,910
• other	44,044	-	44,044
<b>Total</b>	<b>13,729,332</b>	<b>(518,721)</b>	<b>13,210,611</b>
<b>Interest expense and similar charges</b>			
• on amounts due to customers	(1,757,470)	(37)	(1,757,507)
• on other securities issued	(4,219,080)	663,714	(3,555,366)
• treasury and interbank relationships	(1,237,725)	557,968	(679,757)
• subordinated liabilities	(393,511)	197	(393,314)
<b>Total</b>	<b>(7,607,786)</b>	<b>1,221,842</b>	<b>(6,385,944)</b>
<b>Total net interest</b>	<b>6,121,546</b>	<b>703,121</b>	<b>6,824,667</b>

### 1.3 Analysis of caption 10 "Interest income and similar revenues"

a) On foreign currency assets	1,786,856
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### 1.4 Analysis of caption 20 "Interest expense and similar charges"

b) On foreign currency liabilities	2,222,681
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## Section 2 - Commissions

Statement of income	1999	1998	Changes	
			amount	%
<b>Caption 40</b>				
Commission income	5,513,981	4,718,276	795,705	16.86
<b>Caption 50</b>				
Commission expense	840,467	696,311	144,156	20.70

### 2.1 Breakdown of caption 40 "Commission income"

Commission income is analysed as follows:

	1999	1998	Change
<b>a) Guarantees given</b>	85,752	91,212	(5.99%)
<b>b) Collection and payment services</b>	463,239	389,572	18.91%
<b>c) Management, dealing and consultancy services</b>	2,797,841	2,386,885	17.22%
1. dealing in securities	158,009	168,340	
2. dealing in currency	72,176	63,914	
3. portfolio management	346,626	356,279	
4. custody and administration of securities	146,733	123,943	
5. placement of securities	291,755	307,731	
6. consultancy services	12,484	12,212	
7. "door-to-door" sale of securities, financial products and services	26,790	28,435	
8. acceptance of instructions	199,807	230,388	
9. management of mutual funds	1,543,461	1,095,643	
<b>d) Tax collection services</b>	478,051	439,331	8.81%
<b>e) Other services</b>	1,689,098	1,411,276	19.69%
<b>Total</b>	<b>5,513,981</b>	<b>4,718,276</b>	<b>16.86%</b>

### 2.2 Breakdown of caption 50 "Commission expense"

	1999	1998	Change
<b>a) Collection and payment services</b>	84,139	86,861	(3.13%)
<b>b) Management and dealing services</b>	502,986	452,201	11.23%
1. dealing in securities	29,830	18,652	
2. dealing in currency	5,220	9,234	
3. portfolio management	410	116	
4. custody and administration of securities	8,069	5,844	
5. placement of securities	80,675	108,601	
6. "door-to-door" sale of securities, financial products and services	104,133	84,253	
7. management of mutual funds	274,649	225,501	
<b>c) Other services</b>	253,342	157,249	61.11%
<b>Total</b>	<b>840,467</b>	<b>696,311</b>	<b>20.70%</b>

### Section 3 - Profits and losses on financial transactions

Statement of income	1999	1998	Changes	
			amount	%
<b>Caption 60</b>				
Profits (Losses) on financial transactions	(268,418)	918,899	(1,187,317)	(129.21)

#### 3.1 Breakdown of caption 60 "Profits (Losses) on financial transactions"

	1999			Total
	Security transactions	Currency transactions	Other transactions	
a.1 Revaluations	439,855	-	474,496	914,351
a.2 Write-downs	(950,365)	-	(345,805)	(1,296,170)
b. Other profits (losses)	544,758	(98,458)	(332,899)	113,401
<b>Total</b>	<b>34,248</b>	<b>(98,458)</b>	<b>(204,208)</b>	<b>(268,418)</b>

	1998			Total
	Security transactions	Currency transactions	Other transactions	
a.1 Revaluations	105,916	-	2,096,446	2,202,362
a.2 Write-downs	(205,951)	-	(1,261,043)	(1,466,994)
b. Other profits (losses)	299,397	125,838	(241,704)	183,531
<b>Total</b>	<b>199,362</b>	<b>125,838</b>	<b>593,699</b>	<b>918,899</b>

Profits on securities trading are attributable to:

	1999	1998
1. Government bonds	(350,327)	(82,110)
2. Other debt securities	(25,834)	86,652
3. Other forms of capital	160,341	159,880
4. Security derivatives	250,068	34,940
<b>Total</b>	<b>34,248</b>	<b>199,362</b>

## Section 4 - Administrative costs

Statement of income	1999	1998	Changes	
			amount	%
<b>Caption 80</b>				
Administrative costs				
a) payroll	4,791,915	4,774,453	17,462	0.37
b) other administrative costs	2,857,368	2,748,130	109,238	3.97
<b>Total</b>	<b>7,649,283</b>	<b>7,522,583</b>	<b>126,700</b>	<b>1.68</b>

### 4.1 Average number of employees by categories of companies subject to full consolidation (excluding the Banca Commerciale Italiana Group)

Categories	1999	1998	Average
a) Managers	388	375	382
b) Officials	6,149	6,189	6,169
c) Other employees	33,250	33,968	33,609
<b>Total</b>	<b>39,787</b>	<b>40,532</b>	<b>40,160</b>

### 4.2 Average number of employees by categories of companies subject to proportional consolidation (excluding the Banca Commerciale Italiana Group)

Categories	1999	1998	Average
a) Managers	13	14	14
b) Officials	180	186	183
c) Other employees	1,506	1,519	1,513
<b>Total</b>	<b>1,699</b>	<b>1,719</b>	<b>1,709</b>