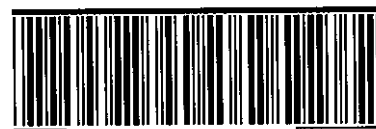


FC 7432

Credito Italiano



EDX *E1MIT00C* 356
COMPANIES HOUSE 10.11.95

✓ NM.

'94

REPORTS AND
FINANCIAL STATEMENTS

CONTENTS

CREDITO ITALIANO S.p.A.

BOARD OF DIRECTORS - STATUTORY AUDITORS - AUDITORS - GENERAL MANAGEMENT	5
AGENDA OF THE ANNUAL GENERAL MEETING	9
BUSINESS AND FINANCIAL HIGHLIGHTS	10
REPORT ON OPERATIONS	15
Economic background	17
The global economy	17
The Italian economy	17
The Italian banking industry	18
Credito Italiano's performance	20
Lending policy	20
Funding	21
Operations in securities	22
The securities portfolio	22
Productivity, human resources and operating structure	22
Equity investments	24
Subsequent events	25
Prospects for 1995; research & development activities	26
The year's performance	27
Reclassified balance sheet	29
Reclassified statement of income	29
Commentary on the balance sheet	31
Loans	32
Securities	39
Equity investments	41
Payables	42
Reserves	46
Share capital and equity reserves	47
Equity for monitoring purposes and capital adequacy ratios	48
Commentary on the statement of income	49
Interest margin	49
Revenues from services and other sources	50
Net commissions	50
Administrative costs	53
Profitability comparison with 1993	54
Proposed resolutions	56
Allocation of net income	56
REPORT OF THE STATUTORY AUDITORS	59
REPORT OF THE INDEPENDENT AUDITORS	64
ATTACHMENTS	67
FINANCIAL STATEMENTS	71
Balance sheet	72
Statement of income	75
Comparison - balance sheet items	76
Comparison - statement of income items	78
EXPLANATORY NOTES	79
Accounting policies	80
Balance sheet	84
Statement of income	112
Other information	122
APPENDICES	123

CREDITO ITALIANO GROUP consolidated financial statements

BUSINESS AND FINANCIAL HIGHLIGHTS

REPORT ON OPERATIONS	177
Foreword	179
Scope of consolidation	179
Consolidation principles	181
Group operations	182
Reclassified consolidated balance sheet	182
Reclassified consolidated statement of income	183
Lending Policy	183
Securities	186
Payables	188
Reserves	191
Statement of income	193
Net income for the year and shareholders' equity	195
Human resources and operating structure	196
Principal equity investments	197
Recent events and general outlook	200
REPORT OF THE STATUTORY AUDITORS	201
REPORT OF THE INDEPENDENT AUDITORS	205
CONSOLIDATED FINANCIAL STATEMENTS	209
Balance sheet	210
Statement of income	213
Comparison - consolidated balance sheet items	214
Comparison - consolidated statement of income items	216
EXPLANATORY NOTES	217
Accounting policies	218
Consolidated balance sheet	222
Consolidated statement of income	244
Other information	253
APPENDICES	255

BOARD OF DIRECTORS

from 16 April 1994

LUCIO RONDELLI*
EGIDIO GIUSEPPE BRUNO*
ROBERTO BERTAZZONI
JOHN CARTER
LEONARDO DEL VECCHIO
ROBERTO GAVAZZI*
WOLFGANG GRAEBNER*
LEOPOLD HENRI JEORGER
ACHILLE MARAMOTTI
GIAMPIERO PESENTI*
FRANZ SCHMITZ
GERARDO GUIDA

Chairman
Deputy Chairman and Managing Director
Director
Director
Director
Director
Director
Director
Director
Director
Secretary to the Board

* Member of the Executive Committee

STATUTORY AUDITORS

from 16 April 1994

PARIDE COSTA
GIORGIO ARENA
GIUSEPPE ARMENISE
SALVATORE SPINELLO
GIANCARLO TOMASIN
ANTONIO COLOMBO
DARIO VILLA

Chairman
Auditor
Auditor
Auditor
Auditor
Alternate Auditor
Alternate Auditor

AUDITORS

KPMG Peat Marwick Fides snc
di G Angiolini e C.

GENERAL MANAGEMENT

as at 31 December 1994

MANAGING DIRECTOR
EGIDIO GIUSEPPE BRUNO

GENERAL MANAGERS
MARIO ARBUFFO
PIERO BARUCCI
ROSARIO CORSO
ALBERTO CRAVERO
ETTORE MASOERO
ATTILIO MOLENDI

DEPUTY GENERAL MANAGERS

MARIO ARAMINI
VITALE BENEDICTI (1)
MAURIZIO CARTOCCI
DANILO DANIELIS (2)
RAIMOND IBBA
ROBERTO MARCHIORI
EMILIO MERCIA (1)
ROBERTO NORDIO
NUCCIO NUCCI (1)
ALESSANDRO PROFUMO (3)
LORENZO RAVARINO
UBERTO SCARAMUZZA
GUIDO CARLO SCHIAVI
FRANCO VIGNOTTI

(1) Left the Bank on 31 December 1994

(2) Appointed 1 July 1994

(3) Appointed 1 December 1994

ANNUAL GENERAL MEETING ON 28 APRIL 1995

(second calling 29 April 1995)

AGENDA

- 1) Receive the reports of the Board of Directors and the Board of Statutory Auditors as at 31 December 1994; related resolutions.
- 2) Allocation of net income for the year.

BUSINESS AND FINANCIAL HIGHLIGHTS

BALANCE SHEET

billions of Italian lire

	31.12.94	31.12.93
Total assets	111,422.3	113,490.2
Total loans	81,497.3	84,583.0
<i>including:</i>		
- customers	38,304.1	45,357.4
- non-performing loans (net)	1,188.8	769.2
Dealing securities	15,075.9	12,293.5
<i>including: shares, quotas and other equity interests</i>	175.1	262.2
Fixed assets	7,915.0	8,557.9
<i>including:</i>		
- investment securities	4,664.5	5,641.4
- equity investments	1,960.2	1,580.1
Total payables	96,637.3	98,881.7
<i>including: deposits from customers and securities issued</i>	45,057.5	44,379.5
Subordinated liabilities	1,976.8	1,478.9
Shareholders' equity	5,613.0	4,665.1
<i>including:</i>		
- share capital	1,120.0	800.0
- net income for the year	91.3	218.6
Other balance-sheet information		
Equity for monitoring purposes (1)	7,181.4	6,275.3
<i>including:</i>		
- basic equity	4,886.4	3,889.6
- supplementary equity	2,452.4	2,378.2
- deductions	157.4	2.5

STATEMENT OF INCOME

billions of Italian lire

	1994	1993
Interest Margin	2,535.7	2,532.0
Revenues from services and other sources	293.1	1,350.9
<i>including: profits/(losses) on financial operations</i>	(486.0)	660.0
Net interest and other operating income	2,828.8	3,882.9
Administrative costs	2,313.8	2,308.4
<i>including: payroll</i>	1,593.1	1,568.0
Gross operating income	515.0	1,574.5
Operating income	92.0	824.9
Income before income taxes	135.3	858.9
Net income for the year	91.3	218.6
<i>dividend</i>	78.8	136.3

BANK ORGANISATION

	1994	1993
Number of employees as at 31 December	15,498	15,824
<i>including: part-time</i>	1,064	1,023
Average number of employees (2)	15,655	16,023
Number of branches as at 31 December	886	814
<i>including: fully operational</i>	621	576

(1) Equity calculated on the basis used for reporting consolidated data to the Bank of Italy.

(2) Based on month-end totals.

FINANCIAL AND OTHER INDICATORS

	1994	1993
Balance sheet	34.38%	39.97
Loans to customers / Total assets	17.56%	15.57%
Securities (other than shares) / Total assets	1.92%	1.62%
Equity investments and shares / Total assets	40.44%	39.10%
Loans to customers and securities issued / Total capital & liabilities		
Shareholders' equity / Total capital & liabilities	5.04%	4.10%
Profitability		
Gross operating income / Shareholders' equity	9.18%	33.82%
Gross operating income / Average total assets (3)	0.46%	1.42%
Interest margin / Average total assets	2.25%	2.29%
Net interest & other operating income / Average total assets	2.52%	3.51
Productivity (4)		
Gross operating income / Average total employees	33	98
Average total assets / Average total employees	7,183	6,907
Loans to customers and securities issued / Average total employees	2,878	2,770
Loans to customers / Average total employees	2,447	2,831
Risk		
Non-performing loans (net) / Total lending	1.46%	0.91%
Non-performing loans (net) / Loans to customers	3.10%	1.70%
Non-performing loans (net) / Shareholders' equity	21.18%	16.52%
Doubtful loans (net) (5) / Total ending	2.89%	2.21%
Doubtful loans (net) (5) / Loans to customers	6.15%	4.12%
Doubtful loans (net) (5) / Shareholders' equity	41.69%	40.18%
Capital ratios		
Basic equity for monitoring purposes / Risk-weighted assets	8.48%	6.58%
Equity for monitoring purposes / Risk-weighted assets	12.47%	10.60%

(3) Calculated from the balances at the start and end of the year.

(4) Million lire per employee.

(5) Non-performing loans, problem debt, lending to countries at risk and lending to large groups subject to present or possible future restructuring.

REPORT ON OPERATIONS

PLEASE NOTE

The following convention has
been adopted in the schedules
included in the report:

Dash (-): non-existent

Two points (**): figure too small
to register at the level of accuracy
chosen, or is otherwise insignificant

Three crosses (xxx): not applicable

ECONOMIC BACKGROUND

THE GLOBAL ECONOMY

The world's major economies emerged from recession in 1994. The recovery was more marked than expected, due to factors including rapid economic growth in the developing nations, new trade agreements and the increased liberalisation of international markets. A key feature of the current business cycle is the mixed picture as regards the timing of the upturn: while the recovery is well underway in the Anglo-Saxon economies (USA, Canada, Australia and the UK), it is still in the early stages in continental Europe, while conditions are slow and difficult in the case of Japan.

Inflation remained low in all the principal economies. The rising cost of raw materials from April 1994 onwards had no effect on consumer prices, thanks to contained labour costs, improved productivity and under utilised industrial capacity.

Fears that strong growth in GDP would lead to an increase in inflation prompted a series of interest rate rises in the US, starting from February. In Germany, the relaxation of interest rates was hindered by faster-than-expected economic growth and expansion of the money supply.

Restrictive monetary policy in the USA, combined with anxiety over inflation, was associated with significant falls in the prices of US Government securities. This had a knock-on effect, given the close links between the world's various bond markets, symptomatic of the progressive integration of international financial markets, causing generalized rises in medium/long-term interest rates. The countries most severely affected were those struggling with their public-sector finances (Canada, Sweden, Spain and Italy).

Equities reacted sharply to the upward drift in rates, although to a lesser degree than bonds, due to improved results from companies as the economic recovery gathered pace.

The dollar weakened while the deutschemark and yen gained ground, reflecting a progressive shedding of dollar-based financial instruments as holders of international portfolios pursued diversification to reduce interest- and exchange-rate exposures. This tendency was also evident among the central banks, notably in the developing nations of Asia, which favoured the yen (the reference currency in that sector of the world economy) as the basis for their foreign currency reserves.

Towards the end of the year, lower liquidity in the USA started to affect levels of foreign investment in South America and elsewhere in the developing world, resulting in pressures on overvalued and otherwise vulnerable local currencies (e.g. the Mexican peso). The second half of the year also saw a significant weakening in the currencies of those European countries whose national deficits are compounded by a climate of political uncertainty: the lira, peseta and Swedish crown were significantly undervalued in terms of their relative international purchasing power.

THE ITALIAN ECONOMY

The economic recovery strengthened in Italy during 1994, with growth in industrial output, averaging 5% over the year, among the highest in Europe.

Demand from abroad was the key factor in the general rise in economic activity, reflecting Italy's increased competitiveness. Exports of goods and services rose by around 10% in the first 9 months. Domestic demand also helped, mainly in the form of increased capital investment and re-stocking. Consumer demand reacted more slowly than in similar circumstances in the past (rising by about 2% in the first 9 months), inhibited by sluggish growth in personal incomes.

At 3.9%, inflation was lower than in 1993, albeit slightly above the Government's target (3.5%). The beneficial effects of pay restraint were offset by the rising cost of imports (reflecting the higher cost of raw materials, combined with a weak lira), and an upturn in domestic demand.

Continuing rationalization in certain sectors dampened the effect of the recovery on the labour market. In the period from January to October 1994, the population in work actually declined by about 60,000. The unemployment rate accordingly rose from 11.3% to 12.1%.

During the first half of the year two cuts in the official discount rate reduced it to 7%. However, the second half brought a halt to the relatively relaxed monetary policy which had been pursued continuously since 1992. This was caused by uncertainties over the direction of economic policy, exacerbated by splits within Italy's majority political alliance. Thus the effects of tensions already apparent in international markets were amplified domestically. The lira declined steadily, passing 1,020 against the mark in August, prompting a half-point rise in the discount rate. In the autumn, however, the Bank of Italy resisted the market tendency towards further rises as the political situation deteriorated, favouring a less restrictive monetary policy by expanding the money supply.

A changed outlook followed by the rise in short-term rates affected the character of new issues of Government securities. Short-term and indexed stocks increased to 15% of total issues, compared with 5% in 1993, as the Treasury sought to limit the impact on the PSBR of rising long-term rates, rather than extend the average maturity of its total debt.

In May, the differential between 10-year Italian and German stocks narrowed to just 2.5 percentage points. Subsequently, long-term rates rose by around 3 points, well above the average for increases in the international markets.

Prices rose sharply on the stockmarket in the early months of 1994, reflecting expectations of continuing interest rate cuts and a rapid rise in business profits. However, the gains were largely wiped out from May onwards, as foreign investors became disaffected and Italy's institutional players increasingly diversified abroad. Overall, the index rose by only about 2% in the year, while transaction volumes nearly doubled. Market reforms contributed to the rise (continuous trading in all securities, plus November's start of dealings in futures in the market index), which was also helped by further implementation of the Government's privatization programme.

THE ITALIAN BANKING INDUSTRY

Demand for credit has been slow to respond to the economic recovery. The average level of lending by banks holding short-term customer deposits fell by 2% in 1994, compared with a rise of 6.8% in the previous year. The decline was constant throughout the first six months, followed by signs of revival in the third quarter, associated with peak growth in industrial output and the early stages of re-stocking. Levels stagnated in the final quarter, affected by interruptions to industrial activity in part of north-west Italy following the flood disaster.

Overall, lending eased over the year by 0.2% (compared with a rise of 0.5% during 1993).

Within total lending, the falls were concentrated in the short-term sector, which declined on average by 5.5% in the first 9 months of the year, compared with the same period in 1993. Medium- and long-term lending, largely secured, rose by 13.8%. Demand for credit was very mixed, varying by type of lending and between sectors of the economy, and depending on the size of the businesses concerned. Despite export-led growth in the industrial sector, outpacing the rest of the economy,

demand for credit in this sector failed to follow suit; key factors included the increased self-financing of both rising working capital and capital investment programmes. Many of the larger companies raised huge sums on the capital markets, and reduced existing bank borrowings (at 14,000 billion lire, recourse to risk capital on the stockmarket, other than by the banking and insurance industries, remained high - albeit below the 17,000-billion level reached in 1993).

Growth in non-performing loans, a lingering effect of the recession, peaked in the first half-year and eased thereafter. The gross rise during the first 10 months of the year was 23,000 billion lire (compared with 18,000 billion in the same period in 1993). Reflecting growing doubtful accounts and falling lending volumes, the ratio of non-performing loans to total lending rose from 6.9% to 8.7% during the year; the corresponding rise in the ratio to net assets was from 28.4% to 34.0%.

Interest rates charged by the banks drifted down throughout the first half of the year. From July, rates partly reflected the Government's tighter monetary policy. The differential between average rates charged to borrowers and the interbank rate narrowed steadily, reaching 2.3 points in December (compared with 3.2 points a year earlier).

Banks suffered significant losses on securities portfolios, in conditions of rising interest rates from May 1994 onwards. The impact on banking profitability of sagging share prices was cushioned to some extent by the increased weighting of investment securities (carried at cost); in November 1994 these amounted to 9.2% of total portfolios, compared with 3.7% at the start of the year.

CREDITO ITALIANO'S PERFORMANCE

1994 was thus a difficult year for the banking industry, reflected in some cases by reduced profitability. The combination of adverse influences included the declining demand for loans, the lingering effects of recession on the quality of lending, and turbulent conditions in Government securities and other financial markets.

Although affected by these adverse conditions, Credito Italiano actively sought to minimise the impact and create the conditions for a rapid and significant recovery of profitability and competitiveness.

The year's results including significantly lower gross operating income, do not fully reflect the Bank's market performance. A 27.1% fall in the interest margin related exclusively to Profits/(losses) on financial transactions, dominated by the effects - as adverse in 1994 as they were favourable in 1993 - of the instability of the financial markets (dating back two years). The impact on profitability was compounded by losses on the writedown to market value of the Bank's portfolio of short-term investments.

Disregarding the element just mentioned, Credito Italiano's revenues were higher than in 1993; net commission income - the most stable and strategically significant source - rose by 10.1% to 627.4 billion lire. Despite the narrowing spread of rates (paid and charged to depositors and borrowers respectively) throughout the industry as a whole, the Bank's interest margin was unchanged.

1994 also saw extensive rationalisation of the Bank's operations, coupled with strict control of operating expenditure. Overall, the latter rose by 0.2%, the combined effect of a 1.6% rise in payroll costs and a 2.7% reduction in other expenses. The steady improvement in productivity, which has distinguished Credito Italiano within the banking system over the years, gathered further momentum in 1994.

In summary, a difficult year was not without favourable and encouraging results. Our thanks go, as always, to all members of our staff, for their continued commitment.

The following paragraphs describe the Bank's performance in each of its principal areas of business; analyses of the various balance sheet and statement of income captions appear in the succeeding section (from Page .. onwards).

LENDING POLICY

The Bank sought to rationalise its loans portfolio in 1994, so as to maximise those elements most closely associated with growth in the real economy. The resulting measures prioritised the financing of commercial and industrial activities, at the expense of less stable (and less profitable) sectors. Combined with general weakness in the demand for credit, greater selectivity resulted in a decline in the average loans portfolio by 8.2%, and by 1.9% on a year-end basis. Our share of average lending by the banking industry declined in consequence, from 5.11% in 1993 to 4.79% (as in 1991).

Rigorous selectivity was accompanied by measures to balance the lending portfolio. Favoured sectors included non-financial companies and family businesses, the related proportion of total lending rising to 59.3% by the end of the year (58.9% a year earlier). Lending to householders also increased (from 15% to 17% of the total), while that to financial institutions declined (from 24.1% to 22.7%).

The proportion of the portfolio represented by larger borrowers decreased significantly. In the segment comprising customers with total credit lines from the banking system exceeding 50 billion lire, the Bank's average share of total short-term lending over the first 11 months of the year was 7.5%, compared with 8.2% in 1993. The share of lending in the middle-range loans segment was virtually unchanged.

In line with strategic objectives, the concentration of lending in particular sectors was significantly reduced. Between December 1993 and October 1994, the proportion of the Bank's lending accounted for by the 20 largest borrowers (allowing for group affiliations) fell from 34% to 29%.

Increased emphasis on commercial and industrial lending (mentioned above) was associated with a decline in overdraft financing (from 43.1% of lira loans at the end of 1993 to 41.3% a year later), in favour of advances to facilitate commercial transactions in both export and domestic markets.

Improvements in the risk profile due to increased selectivity, combined with growing levels of self-financing within customer businesses, began to show through in 1994. It is true that the year-end ratio of non-performing to total loans is less than satisfactory, albeit significantly better than the industry average (6.76% compared with 8.7%); a much brighter picture emerges from an analysis of the changes over time: following rises of 539 billion lire in 1993 and 485 billion in the first semester 1994, non-performing loans stabilized, increasing by only 180 billion in the second half of the year. The problem loans category - the source of accounts subsequently classified as subject to proceedings - ceased to grow during 1994, stabilizing at 286 billion lire. On the strength of this evidence and given the balancing of the portfolio (mentioned earlier), prospects for 1995 seem favourable.

An analysis of the Bank's lending-risk profile and related coverage appears on Pages 34 and 35. Our risk-appraisal procedures are extremely rigorous and extend also to positions - such as that relating to the Ferfin Group - in respect of enterprises which are demonstrating clear signs of recovery.

Credito Italiano maintained its wide range of services to the business customer in 1994, from payment services to those related to international operations. Services targeting medium-sized companies grew, via a working agreement with Société Générale (to be extended to other partners). International payment services also expanded: the system offering guaranteed times and cost operating in France, Germany and the UK, was extended to Spain and Denmark.

FUNDING

Credito Italiano increased its shares of resident customer deposit business in 1994, for the fourth consecutive year. The rate of increase in this sector since 1991 has exceeded the industry average by nearly a percentage point, while the corresponding growth ignoring Certificates of Deposit has outperformed the system as a whole by 3 points. In 1994, the average level of deposits was 6% higher than in 1993, compared with an industry-average rise of 5.5%. Ignoring CDs, growth amounted to 9.1%, against an average for the system of 5.2%. The corresponding year-end values are less favourable, involving total deposit growth slightly below the industry average; these results are, however, distorted by year-end factors, and are not regarded as representing a reversal of the upward trend.

Satisfactory performance in deposits was again based on factors other than the rates offered. Average rates paid on deposit-account business (i.e. excluding CDs) were lower than those for the system as a whole; the difference was even larger than in the previous year, and provides clear testimony to the Bank's competitive marketing skills. The growth in deposit business reflected the contribution of new branches and the results of marketing initiatives targeting specific segments. New branches (the 264 opened since June 1989) accounted for 39.1% of the additional deposit business won; new marketing campaigns included the "Future Assets" pension plan, an integrated package of savings, investment and services products which has substantially broadened the customer base. Another initiative was the launch of the "Active Savings" campaign, offering various combinations of direct and indirect deposit products to suit the needs of various segments of the savings market.

The Bank's approach to the savings market involved greater emphasis on asset management, including the introduction of a programme to enhance the relevant infrastructure, together with an advisory service. An awareness campaign in the branches was launched in parallel, designed to promote the conversion of securities safe-keeping operations. Assets under management grew rapidly, combined with a sharp increase during the first half-year in the placement of units in investment-funds.

Business in this sector remained brisk in the second half of 1994, despite a distinct slackening of demand for savings products. The Bank's share of asset management continued to grow, while fund business was helped by expansion of the range, including the addition of the successful Privatization Fund. The ratio of securities under management to total securities held for personal customers rose by nearly 3 points, to 20.4%.

OPERATIONS IN SECURITIES

The Bank increased its dealing volumes and share of total business on the domestic financial market in 1994. Our volumes on the screen-trading market in Government securities doubled, increasing the Bank's share from 4.35% to 4.37% and ranking it third among the principal operators. Our share of total dealings in the futures market (MIF) rose from 6.9% to 8%, consolidating the Bank's leading position. Placings of medium- and long-dated Government stocks totalled 10,137 billion lire, representing a 4.1% market share. In the equities market, the Bank was appointed Joint Domestic Coordinator for the INA privatisation, the largest of the year's placings (a total of 4,500 billion lire). Credito Italiano was a member of 25 underwriting syndicates relating to new capital issues, with a 9.2% participation.

Operations on international markets grew substantially, with the Bank participating in 166 issues on the Euromarket and placing a total of 3,264 billion lire, 81% up on 1993.

Credito Italiano took the lead in the Eurobond market, with 33 high-profile issues worth 4,160 billion lire and representing a 16% market share. This compared with 1993's ranking at No. 7, with 8 issues worth 1,470 billion lire in total (an 8% market share).

THE SECURITIES PORTFOLIO

An analysis of the Bank's portfolio of securities is provided in the next section of the report (on Page 39). The year's portfolio management operations are best judged in relation to the banking industry as a whole.

In the 12 months to November 1994 (the latest date for which full data are available), the proportion of the banking system's combined securities portfolios held by Credito Italiano declined from 5.2% to 4.5%. The reduction chiefly affected the highest risk element, comprising fixed-income Government securities with maturities beyond 60 months; the Bank's proportion of these holdings fell during the period mentioned from 6.4% to 3.8%.

After some buying activity in the early days of 1994, the Bank's portfolio effectively stabilised in terms of size, while the risk level was reduced. The effects of the slide in the prices of Government securities, notably long-dated fixed-income stocks, was contained as a result. These effects were significant nevertheless, the impact on profitability being amplified by the year-end writedown of dealing securities to market prices.

PRODUCTIVITY, HUMAN RESOURCES AND OPERATING STRUCTURE

The Bank continued its policy, established over the last decade, of steadily raising productivity by improving efficiency.

15,498 persons were employed by Credito Italiano at the end of 1994, 326 fewer than a year earlier despite the 170 new jobs created by new branch openings in the year. The above numbers do not reflect an increase in part-time working, which involved 1,023 staff at the end of 1994 compared with 1,064 a year earlier.

	31.12.94	<i>incl. foreign-based staff</i>	31.12.93	<i>incl. foreign-based staff</i>	Change in total	
Executives	140	8	138	7	+	2
Officials	2,454	105	2,447	113	+	7
Managers	1,331	—	1,265	—	+	66
Clerical staff	11,156	209	11,502	213	-	346
Messengers etc.	417	13	472	13	-	55
	15,498	335	15,824	346	-	326

Month-end average headcount during the year amounted to 15,655 employees (16,023 in 1993).

Staff training continued to enjoy high priority during 1994. Following completion in 1993 of the special programme related to retail operations, the levels of participation in courses provided by the Professional Training Centre were characteristically high: 3,300 attendances, including 545 on local courses. Skills training, notably in technical areas, was also intensive, and related to ongoing organisational changes.

45 ordinary branches were opened in 1994, including 26 in towns previously not covered by the network: Acquaviva delle Fonti, Afragola, Augusta, Aversa, Barengo, Canicattì, Casalpusterlengo, Cassano Magnago, Ciampino, Ercolano, Fasano, Frascati, Giugliano in Campania, Guidonia in Montecelio, Jesolo, Ladispoli, Limbiate, Marano di Napoli, Massa, Nettuno, Otrava, Scafati, Sinnai, Soverato, Tempio Pausania, Torremaggiore. Another 19 branches consolidated our existing presence in: Alessandria, Cagliari, Catanzaro, Chieti, Genoa, Messina, Milan (2), Palermo, Rome (4), Sesto S. Giovanni, Terni, Turin (2), Udine, Verona.

Other additions comprised 4 new business-sector branches, 31 automated teller machines and one remote ATM; closures in the year affected one business-sector branch, and 8 ATMs (one remote).

Changes abroad included the launch of the Singapore branch and conversion of the Los Angeles branch into a representative office.

As of the end of 1994, the network of 886 operating units was composed as follows:

	31.12.94	31.12.93	Change	
Italy:				
- Branches	172	165	+	7
- Rural offices	115	102	+	13
- Urban offices	150	153	-	3
- Remote branches	175	147	+	28
Ordinary branches	612	567	+	45
- Trade-notes offices	—	—	-	
- Customs offices	2	2	-	
- Bureaux de Change	1	1	-	
- Branches in third-party premises	72	69	+	3
- Business-sector ATMs, remote ATMs and remote branches providing ancillary services	190	166	+	24
	877	805	+	72
Branches abroad	9	9	-	
Total	886	814	+	72

EQUITY INVESTMENTS

Operations in equity investments during 1994 primarily related to the reorganisation and rationalisation of the Group.

On 29th July, an Extraordinary Meeting of the Shareholders approved Group restructuring proposals involving the absorption by the Bank of a number of its wholly-owned subsidiaries: Credit Holding Italia S.p.A., Credit Holding International S.p.A., Credit Holding Bank S.p.A. (a sub-holding of interests created under the "Amato" Law - Law 281/90), Credit Merchant S.p.A. (a merchant banking company), and Generale Immobiliare Srl. Following filing of the merger document, from 7th December 1994 the Bank directly held the equity investments previously vested in the merged companies.

Rationalisation of Group structure also led to the purchase of the remaining 40% interest in Cordusio Società Fiduciaria per Azioni, previously held by Banca Creditwest e dei Comuni Vesuviani S.p.A. (Cordusio's entire share capital is now held by the Bank). The Bank acquired a further 2% in Simcredit, increasing its interest to 73.1%.

Credito Italiano sold 6.1% of the share capital of Banca Popolare di Spoleto via a Public Offer for Sale, in preparation for flotation.

Other divestments resulted from changes in strategy and affected certain marginal minority holdings.

In February 1994, the Bank received Bank of Italy approval to operate fully in the non-financial business sector of the equities market. Early operations included the purchase of a 3.86% interest in Cogefar-Impresit Costruzioni Generali S.p.A. for 19,735 million lire. The latter company subsequently absorbed Impresit-Girola-Lodigiani S.p.A., and changed its name to Impregilo S.p.A. Following these changes, the Bank's interest amounted to 2.91% of the ordinary share capital (2.81% of total share capital).

Also, in May, Credito Italiano acquired a 5.71% interest in Istituto Europeo di Oncologia Srl for 4,800 million lire.

Implementation of the Ferruzzi Group financial restructuring scheme involved the acquisition - in company with the other creditor banks - of an equity interest in Ferruzzi Finanziaria S.p.A. Credito Italiano took a 5.27% interest (5.99% of the ordinary share capital) at a cost of 271,116 million lire. In line with the restructuring and with measures adopted in the banking industry, this holding was written down in the year by 112,367 million lire.

A debt-rescheduling scheme in respect of the Safinvest/Sottrici Binda Group involved conversion of part of the amount owed to the Bank into shares representing a 2.90% interest in Cartiere Sottrici Binda S.p.A.

Credito Italiano's role in restructuring the liabilities of the former EFIM defence-sector companies involved an investment of 125,968 million lire for a 3.05% interest in Finmeccanica S.p.A. In the context of the scheme addressing the debts of the Seleco Group, the Bank acquired a 1.1% holding in Seleco S.p.A.

Following an increase in share capital by GFT (Gruppo Finanziario Tessile S.p.A.), Credito Italiano was among a number of creditor banks which transferred part their loans to GFT's parent company (the latter having subscribed to the 94.5 billion lire capital increase). In December 1994, the Bank exercised option rights obtained in connection with the above mentioned sale, taking a 12.91% interest in GFT, valued at 13,499 million lire.

Developments in the Bank's territorial expansion programme included finalisation of

the purchase of a 35% interest in Banca Cattolica S.p.A.; this newly formed company took over the operations of Banca Popolare Scrl di Molfetta, and has joined the Credito Italiano banking group.

The Bank's strategy for Group external growth also prompted the announcement, on 11th December 1994, of a Public Offer to purchase 63.66% of the share capital of Gruppo Bancario Credito Romagnolo S.p.A. This group is well established in localities with a mature banking market and is noted for the quality of its customer relations. Credito Italiano's bid for control, which followed its purchase of a 2.05% holding in October 1994, was dependent on deletion of a clause in its Articles of Association restricting the right to hold shares, such change requiring the approval of the shareholders in Extraordinary Meeting.

Following the emergence of a competing bid by a consortium comprising Cariplo S.p.A., Istituto Mobiliare Italiano S.p.A., Cassa di Risparmio in Bologna S.p.A. and Società Reale Mutua Assicrazioni, the Bank extended its offer to 78.36% of the share capital, implying an investment of 3,770 billion lire.

In the context of the evolving Group reorganisation, the Bank reviewed the possibility of divesting Banca Creditwest e dei Comuni Vesuviani. Given similar intentions on the part of the 19.21% minority shareholder (National Westminster Bank Plc.), Credito Italiano signed a joint declaration of intent with Gruppo Bancario Credito Emiliano to formalise the basis for fixing the selling price of the subsidiary's shares.

Corporate operations abroad included consolidation of the Bank's presence in Monaco via the purchase of the remaining 80% interest in Banque Transatlantique de Monaco (in which the Bank already held 20%), against the sale by Credito Italiano of an interest of around 10% in Banque Transatlantique SA, Paris.

The Monaco bank changed its name to Banque Monegasque de Gestion and now forms part of the Credito Italiano banking group. Credito Italiano also participated, as a multilateral development bank and to the extent of 0.25%, in the formation of the European Investment Fund, Luxembourg, promoted by the EIB and the EU.

Overall, our equity investments rose by 380.1 billion lire during 1994, to 1,960.2 billion. Dividend income from equity investments amounted to 93.4 billion lire.

SUBSEQUENT EVENTS

Economic and financial conditions subsequent to year end have been dominated by the instability of the international markets. This hit the dollar first, but then affected the lira, Government securities and the Italian stockmarkets, which were also affected by the political and institutional uncertainties. In the context of decidedly cautious monetary policy, the official discount rate was increased by 0.75 points.

Banking trends have not altered significantly, with a small increase in the demand for loans, which remains weak, and a modest increase in deposits.

Credito Italiano has performed in line with the banking industry, with slight growth in both deposits and lending (net of seasonal factors) since the year-end. Asset management activities have developed further, with significant growth in the net inflows to investment funds, in contrast to industry trends.

One of the principal events in early 1995 has been the successful outcome of the public offer for 78.36% of Gruppo Bancario Credito Romagnolo S.p.A.. This purchase will take effect, as mentioned, when the extraordinary resolution of the "ROLO Group" cancelling the restrictions on share ownership has received Court approval. Once this transaction has been completed and following agreements already signed with Carimonte Banca S.p.A. and R.A.S. - Riunione Adriatica di Sicurtà S.p.A., Credito Italiano will transfer to them 10% and 5% interests respectively in the Rolo Group.

PROSPECTS FOR 1995; RESEARCH & DEVELOPMENT ACTIVITIES

Despite a slowdown in the growth of deposits, in 1995 the interest margin from the mainstream banking business should benefit from renewed growth in lending, and profitability should improve as interest rates rise.

Dealing income is forecast to be well above that in 1994, given expectations of an improved performance by the investment securities portfolio and a boost to commission income from a rise in private demand for savings products.

Costs will be kept under control.

The Bank's strategy for a steadily improving return on capital in the medium term will produce increasing benefits in 1995 and the succeeding two years. The principal elements of the strategy are noted below: reorganisation, involving extensive devolution of decision-making to local level, plus structural repositioning to overcome the disadvantages of a sparse branch network; development of the private managed savings segment, involving the progressive replacement of nominee trusts with actively managed business in the form of investment fund placement and asset management; this objective is linked with that to improve the Bank's positioning in the deposits market; development of new business with commerce and industry to reduce the overall risk profile of the loans portfolio and to diversify the range of products and services offered; objectives in the lending sector include growing market share and further reducing the concentration of risk among larger customers; further increases in productivity.

Capital expenditure, chiefly concerned with development and introduction of automation and information systems in support of key objectives, will total around Lire 600 billion in the three years 1995-1997.

THE YEAR'S PERFORMANCE

Shareholders

In line with those of past years, the 1994 financial statements submitted for your approval reflect the adoption of prudent accounting policies and conform with the relevant legislation; as always, the guiding principle has been to ensure a true and fair presentation of the Bank's financial position and business performance.

The main part of this section of the report is concerned with the changes during the year in the principal aggregates appearing in the financial statements, presented on a basis consistent with that adopted for the half-year report.

On 29 July 1994, an Extraordinary Meeting of the Shareholders authorised the Board (under Articles 2420 and 2443 of the Italian Civil Code) to:

increase the share capital, for cash or via bonus issues, in one or more stages, fixing any related share premiums, up to a total of par value Lire 2,000 billion
issue convertible bonds or warrants, in one or more stages, up to a total of par value Lire 2,000 billion

subject to an overall ceiling in terms of share capital of par value Lire 2,000 billion, this authorisation will remain in force for 5 years.

On 28 September 1994, the Board resolved as follows:

a) To increase share capital by Lire 320 billion, from Lire 800 billion to Lire 1,120 billion, by issuing Lire 640 million new ordinary shares of par value Lire 500 per share, to be offered to the existing shareholders on the basis of two new shares for every five shares of any class held, at a price of Lire 1,500 per share including a premium of Lire 1,000. Warrants attached to the new shares - one for every two shares issued - provided the right to subscribe for further ordinary shares (mentioned under c) below), on a one-for-one basis, at Lire 1,750 per share (premium Lire 1,250 per share).

b) To issue a subordinated bond totalling Lire 560 billion denominated "Credito Italiano 8% 1994-2000 subordinated cum warrant", comprising 320 million bonds with a face value of Lire 1,750 each, to be offered to the existing shareholders at par, on the basis of one bond for every five shares of any class held. A warrant identical to, and interchangeable with, the warrants linked to the new share issue was attached to each bond.

c) To increase capital stock further, by up to Lire 320 billion, via the issue in one or more stages of a further 640 million shares to service the warrants mentioned under a) and b) above.

The operations described under a) and b) above were carried out between 17 October and 15 November 1994; option rights remaining unexercised were sold on the stock exchange during the sessions 28-30 November, 1 and 2 December 1994.

The warrants, denominated "Credito Italiano Ordinary Warrants 1994-1997", are fully transferrable and have, since issue, circulated independently of the shares and bonds to which they were linked.

As of 31 December 1994, no warrants had been exercised.

The Board's remaining authority for increases in capital over and above those resolved on 28 September 1994 is for :

shares up to Lire 1,360 billion

bonds up to Lire 1,440 billion

subject to a ceiling of par value Lire 1,360 billion as regards share capital.

Subscription of all the new shares and bonds resulted in an increase in equity of Lire 1,520 billion, affecting the following items (in billions of Lire):

110. Subordinated liabilities	560
120. Share capital	320
130. Share premiums	640
	1,520

The Extraordinary Meeting of the shareholders mentioned also approved the merger with the Bank of Credit Holding Bank S.p.A., Credit Holding International S.p.A., Credit Holding Italia S.p.A., Credit Merchant S.p.A. and Generale Immobiliare Srl, in each case on the basis of the relevant financial statements as at 31 December 1994.

This operation was designed to restructure the Credito Italiano banking group in line with recent legislative changes enabling adoption of the universal banking model. The changes were finalized on 7 December 1994 when the relevant particulars were filed at the Register of Companies.

Further points:

Investment securities at the end of 1994 are stated net of Treasury Certificates (CCTs) totaling around Lire 1,720 billion that were sold at market value to realize gains which were otherwise merely potential.

Investment securities include around Lire 470 billion in long-dated stocks remaining after market placements (non-Government securities) or as a result of rationalizing the loans portfolio; the market value of these stocks was around Lire 40 billion below their book value at the end of 1994.

Other movements during 1994 included increases totalling Lire 180 billion in the portfolios of the Bank's overseas branches (total fluctuations in both directions amounting to 90 billion), together with writeoffs/writebacks of securities acquired through debt restructuring by clients abroad, extractions, and exchange differences on securities denominated in foreign currencies.

Stocks representing secured debt acquired on restructuring by foreign debtors (held for the long-term) are stated at redemption value, implying recovery of the capital losses of Lire 68.4 billion recorded in 1993; the change reflects the secured nature of the stocks concerned.

Unsecured foreign stocks obtained in similar circumstances have been written down by a further Lire 25.7 billion.

The reserve for possible loan losses (Caption 90 among the balance sheet liabilities) was utilized to the extent of Lire 297.5 billion to cover losses on the loans portfolio (the reserve amounted to 397.5 billion at the end of 1993, based on the then estimate of possible losses).

As a background aid to comprehension, the following is a summary of the 1994 financial statements on a comparative basis with 1993:

RECLASSIFIED BALANCE SHEET

billions of Italian Lire

ASSETS	Amounts as at		Changes		
	31.12.94	31.12.93		Amount	%
1. Cash and deposits with central banks and post offices	269.3	244.1	+	25.2	10.3
2. Loans:					
- Customers	38,304.1	45,357.4	-	7,053.3	15.6
- Banks	43,193.2	39,225.6		3,967.6	1.01
3. Dealing securities	15,075.9	12,293.5	+	2,782.4	22.6
4. Fixed assets					
a) investment securities	4,664.5	5,641.4	-	976.9	17.3
b) equity investments	1,960.2	1,580.1	+	380.1	24.1
c) tangible and intangible assets	1,290.3	1,336.4	-	46.1	3.4
5. Other assets	6,664.8	7,811.7	-	1,146.9	14.7
Total assets	111,422.3	113,490.2	-	2,067.9	1.8

billions of Italian Lire

LIABILITIES	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
1. Payables	32,214.8	31,609.0	+ 605.8	1.9
- Due to customers				
- Securities issued	12,842.7	12,770.5	+ 72.2	0.6
- Due to banks	51,579.8	54,502.2	- 2,922.4	5.4
2. Specific reserves	894.3	1,485.4	- 591.1	39.8
3. Other liabilities	6,200.9	6,591.6	- 390.7	5.9
4. Reserve for possible loan losses	100.0	397.5	- 297.5	74.8
5. Subordinated liabilities	1,976.8	1,478.9	+ 497.9	33.7
6. Shareholders' equity				
- Capital, reserves and retained earnings	5,521.7	4,436.5	+ 1,085.2	24.5
- Net income for the year	91.3	218.6	- 127.3	58.2
Total liabilities and shareholders' equity	111,422.3	113,490.2	- 2,067.9	1.8
Guarantees and commitments	24,248.0	22,190.0	+ 2,094.0	9.4
Securities held for safekeeping and administration	84,589.1	82,972.1	+ 1,617.0	1.9

RECLASSIFIED STATEMENT OF INCOME

billions of Italian Lire

	Amounts as at		Changes		
	31.12.94	31.12.93	Amount	%	
Interest margin	2,535.7	2,532.0	+	3.7	0.1
Revenues from services and other sources	293.1	1,350.9	-	1,057.8	78.3
Net interest and other operating income	2,828.8	3,882.9	-	1,054.1	27.1
Administrative costs	2,313.8	2,308.4	+	5.4	0.2
Gross operating income	515.0	1,574.5	-	1,059.5	67.3
Adjustments to intangible and tangible fixed assets	213.8	172.6	+	41.2	23.9
Provisions, adjustments and writebacks	- 209.2	- 577.0	+	367.8	63.7
Extraordinary income, net	43.3	34.0	+	9.3	27.4
Income taxes	44.0	640.3	-	596.3	93.1
Net income	91.3	218.6	-	127.3	58.2

The analysis of the balance sheet in terms of lira and foreign currencies appears below:

billions of Italian Lire			
ASSETS	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
1. Cash and deposits with central banks and post offices	220.9	66.4	269.3
2. Loans:			
- Customers	27,157.7	11,146.4	38,304.1
- Banks	16,937.3	26,255.9	43,193.2
3. Dealing securities	14,102.7	973.2	15,075.9
4. Fixed assets			
a) investment securities	2,839.9	1,824.6	4,664.5
b) equity investments	1,831.5	128.7	1,960.2
c) tangible and intangible assets	1,277.4	12.9	1,290.3
5. Other assets	5,118.4	1,546.4	6,664.8
Total assets	69,467.8	41,954.5	111,422.3

billions of Italian Lire			
LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
1. Payables			
- Due to customers	26,153.1	6,061.7	32,214.8
- Securities issued	9,086.2	3,756.5	12,842.7
- Due to banks	19,281.3	32,298.5	51,579.8
2. Specific reserves	864.9	29.4	894.3
3. Other liabilities	4,574.7	1,626.2	6,200.9
4. Reserve for possible loan losses	100.0	—	100.0
5. Subordinated liabilities	560.0	1,416.8	1,976.8
6. Shareholders' equity			
- Capital, reserves and retained earnings	5,521.7	—	5,521.7
- Net income for the year	87.6	3.7	91.3
Total liabilities and shareholders' equity	66,229.5	45,192.8	111,422.3

As indicated by the analysis:

the element in lire - the most significant in terms of profitability - accounts for 62% of total assets (10% of the lira total is contributed by the Bank's foreign branches)

38% of total assets are denominated in foreign currency (58% of the foreign currency total is contributed by the foreign branches)

the Bank was a net borrower from other banks as of the end of 1994, in both lire (Lire 2,344 billion) and foreign currency (Lire 6,043 billion).

billions of Italian Lire			
	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Due from banks	16,937.3	26,255.9	43,193.2
Due to banks	19,281.3	32,298.5	51,579.8
Net position (due to)	2,344.0	6,042.6	8,386.6

The comparison of assets and liabilities/equity in terms of the lira and foreign currency between the two years is as follows:

ASSETS	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
- lire	69,467.8	69,978.2	- 510.4	0.7
- foreign currency	41,954.5	43,512.0	- 1,557.5	3.6
	111,422.3	113,490.2	- 2,067.9	1.8

LIABILITIES	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
- lire	66,229.5	67,162.9	- 933.4	1.4
- foreign currency	45,192.8	46,327.3	- 1,134.5	2.4
	111,422.3	113,490.2	- 2,067.9	1.8

As in the previous year, the difference between total assets in foreign currency and the corresponding total for liabilities/equity is almost entirely covered by hedging agreements; these contributed to the funding of lira lending and investments via swaps.

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Assets in foreign currency	41,954.5	43,512.0	- 1,557.5	3.6
Liabilities in foreign currency	45,192.8	46,327.3	- 1,134.5	2.4
Difference	- 3,238.3	- 2,815.3	- 423.0	15.0

The following are the rates of exchange used to translate the more significant foreign currency positions:

	Exchange rate	
	December 1994	December 1993
US dollar	1,629,740	1,703,970
Pound sterling	2,533,430	2,523,920
German mark	1,047,730	985,810
Swiss franc	1,238,400	1,153,670
French franc	303,120	290,280
Japanese yen	16,342	15,248
Spanish peseta	12,331	12,004
Ecu	1,989,590	1,908,450

COMMENTARY ON THE BALANCE SHEET

The information relating to receivables and payables includes that in line with Bank of Italy requirements (in the form of a standard report) with reference to customer lending and deposits; in the case of receivables, the situation regarding non-performing and problem loans, exposure to country risk and to risk associated with large groups is also indicated.

The differences between the accounting policies underlying the financial statements and the basis of reporting to the Bank of Italy are important in the case of receivables, these being:

stated at estimated realizable value (i.e. after allowing for forecast losses) in the balance sheet: reported at face value to the supervising authority.

LOANS

The principles applied in valuing loans are described in the Explanatory Notes (Part A, Section 1); the totals include repurchase agreements.

The overall total of Lire 81,497.3 billion as at the end of 1994 is analysed as follows:

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
billions of Italian Lire				
Loans to customers				
- lire	27,157.7	32,268.2	- 5,110.5	15.8
- foreign currency	11,146.4	13,089.2	- 1,942.8	14.8
	38,304.1	45,357.4	- 7,053.3	15.6
Due from banks				
- lire	16,937.3	13,244.7	+ 3,692.6	27.9
- foreign currency	26,255.9	25,980.9	+ 275.0	1.1
	43,193.2	39,225.6	+ 3,967.6	10.1
Total	81,497.3	84,583.0	- 3,085.7	3.6
<i>including repurchase agreements:</i>				
- customers	1,785.4	6,215.8	- 4,430.4	71.3
- banks	1,427.6	3,388.8	- 1,961.2	57.9
	3,213.0	9,604.6	- 6,391.6	66.5

Loans to customers were lower than a year earlier by Lire 7,053.3 billion (15.6%); amounts due from banks rose by 3,967.6 billion (10.1%).

Loans to customers are analysed by type below, showing the respective totals for lire and foreign currency lending:

	billions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Portfolio risk	454.8	46.7	501.5
Repurchase agreements	1,753.6	31.8	1,785.4
Current accounts	10,526.3	5,048.6	15,574.9
Mortgages	2,838.4	—	2,838.4
Other loans	2,584.2	2,486.6	5,070.8
Other non-overdraft lending	7,659.9	3,515.2	11,175.1
Non-performing loans.	1,179.5	9.3	1,188.8
Other transactions	161.0	8.2	169.2
Total	27,157.7	11,146.4	38,304.1

The following is an a comparative analysis by type of lending:

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Portfolio risk	501.5	699.5	- 198.0	28.3
Repurchase agreements	1,785.4	6,215.8	- 4,430.4	71.3
Current accounts	15,574.9	17,873.4	- 2,298.5	12.9
Mortgages	2,838.4	2,515.3	+ 323.1	12.8
Other loans	5,070.8	5,349.4	- 278.6	5.2
Other non-overdraft lending	11,175.1	11,228.0	- 52.9	0.5
Non-performing loans	1,188.8	769.2	+ 419.6	54.6
Other transactions	169.2	706.8	- 537.6	76.1
Total	38,304.1	45,357.4	- 7,053.3	15.6

The ratio of non-performing to total loans amounted to 3.10%, compared with 1.70% a year earlier.

The following is an analysis of amounts due from banks by type of arrangement and showing the division between lira and foreign currency accounts:

	billions of Italian Lire		
	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Due from central banks	3,554.3	22.6	3,576.9
Repurchase agreements	889.1	538.5	1,427.6
Deposits	11,905.0	24,054.1	35,959.1
Loans granted	254.2	1,353.5	1,607.7
Current accounts for services	334.7	213.8	548.5
Non-performing loans	—	—	—
Other transactions	—	73.4	73.4
Total	16,937.3	26,255.9	43,193.2

Analysis by type on a comparative basis with 1993:

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Due from central banks	3,576.9	4,141.8	- 564.9	13.6
Repurchase agreements	1,427.6	3,388.8	- 1,961.2	57.9
Deposits	35,959.1	29,371.8	+ 6,587.3	22.4
Loans granted	1,607.7	1,812.6	- 204.9	11.3
Current accounts for services	548.5	415.9	+ 132.6	31.9
Non-performing loans	—	—	—	—
Other transactions	73.4	94.7	- 21.3	22.5
Total	43,193.2	39,225.6	+ 3,967.6	10.1

"Due from central banks" (Lire 3,576.9 billion) refers almost entirely to the "compulsory reserve deposit"; at this level, the deposit implied (restricted) scope for additional lending amounting to 8% at the end of the year.

In detail, the caption comprises:

Lire 3,548.3 billion Compulsory deposit with the Bank of Italy, earning 5.50% p.a.
 28.6 billion other amounts due from central banks.

The following is a comparison of the average compulsory deposit and the associated average yields in 1994 and 1993:

	billions of Italian Lire					
	1994			1993		
	Average	Interest	%	Average	Interest	%
Compulsory deposit with						
Bank of Italy						
- earning 5.50%	3,644.2	200.5	5.50	3,130.5	172.0	5.50
- earning 6.50%	493.8	32.1	6.50	281.1	18.3	6.50
- earning 8.50%	—	—	—	743.0	63.2	8.50
Total	4,138.0	232.6	5.62	4,154.6	253.5	6.10

Income lost as a result of the compulsory deposit is estimated at around Lire 215 billion (297 billion in 1993), based on the average return on lending.

Doubtful loans at face value (i.e. before adjustment for estimated losses) rose from Lire 3,060.1 to 3,822.4 billion during 1994.

An analysis of the various adjustments by type appears below:

Non-performing loans are those formally recognized as doubtful, and represent the total due from insolvent customers, whether insolvency or similar proceedings are in progress or otherwise:

	billions of Italian Lire					
	Amounts as at		Writeoffs		Writebacks	
	31.12.94	31.12.93	1994	1993	1994	1993
Non-performing loans (gross)						
- Principal	1,709.1	1,124.1	242.8	292.2	25.3	12.2
- Interest	424.6	324.8				
Total	2,133.7	1,448.9	242.8	292.2	25.3	12.2
Total writeoffs						
- Principal	520.3	354.9				
- Interest	424.6	324.8				
Total	944.9	679.7				
Non-performing loans (net)	1,188.8	769.2				

Problem debt relates to amounts for which there are no specific forecasts of loss, in the case of customers in temporary financial difficulties which are expected to be resolved within a reasonable period:

	billions of Italian Lire					
	Amounts as at		Writeoffs		Writebacks	
	31.12.94	31.12.93	1994	1993	1994	1993
Problem debt	286.3	461.6	—	—	—	—

Loans to nations at risk are stated at estimated realizable value based on standard percentages applied by the Italian banking system and updated from time to time (in terms of which countries are listed as at risk, and of the extent of the writedown):

	billions of Italian Lire					
	Amounts as at		Writeoffs		Writebacks	
	31.12.94	31.12.93	1994	1993	1994	1993
Lending at risk	232.7	477.5	5.9	20.1	72.1	—
Total writeoffs	74.9	176.0				

Lending to large groups subject to present or possible future restructuring:

	billions of Italian Lire					
	Amounts as at		Writeoffs		Writebacks	
	31.12.94	31.12.93	1994	1993	1994	1993
Lending at risk	1,169.7	672.1	340.3	334.2	113.7	—
Total writeoffs	447.4	334.2				
			Total	589.0	646.5	211.1
						12.2

Of the total of Lire 589 billion written off in 1994, 291.5 billion was charged to the statement of income; the remaining 297.5 billion was covered by the reserve for possible loan losses.

As in previous years, default interest on non-performing loans has been ignored (as permitted by the legislation) since it is considered entirely irrecoverable.

The general risk inherent in the total lending portfolio is estimated at around Lire 200 billion, based on past experience of the incidence of non-performing loans and of the resulting losses.

No specific adjustments or provisions have been made for such risk, since it is considered to be covered by the relevant tax recoveries (not reflected in the balance sheet), i.e. those which would arise on utilisation of the taxed part of the relevant reserves, and by various provisions; this view reflects the reasonable certainty that taxable income will be sufficient to permit such recoveries. Taxed reserves amounted to around Lire 200 billion at the end of the year: at present rates these represent tax paid totaling around 105 billion, implying coverage of future allowable losses of up to about Lire 410 billion without affecting the Bank's results.

The reserve for possible loan losses (Lire 100 billion) is also available in this connection.

The totals in respect of loans - face value, adjustments (by type - specific or global) and book value - are reported below:

	billions of Italian Lire		
	Face value	Total writeoffs	Carrying value
Loans to customers			
Loans reviewed individually	39,634.6	1,391.0	38,243.6
including non-performing loans:			
- principal	1,707.8	519.0	1,188.8
- interest	424.6	424.6	—
Lending subject to general writedowns	84.7	24.2	60.5
including country risk	84.7	24.2	60.5
	39,719.3	1,415.2	38,304.1

	billions of Italian Lire		
	Face value	Total writeoffs	Carrying value
Due from banks			
Accounts reviewed individually	43,097.2	1.3	43,095.9
including non-performing loans	1.3	1.3	—
Lending subject to general writedowns	148.0	50.7	97.3
including country risk	148.0	50.7	97.3
	43,245.2	52.0	43,193.2
Total loans to customers and due from banks	82,964.5	1,467.2	81,497.3

The reconciliation of total writeoffs at the end of 1994 with the corresponding total a year earlier is as follows (in billions of lire):

Total writeoffs as at 31.12.93	865.0
deduct eliminations of known losses provided for in earlier years	- 200.3
deduct writebacks to the statement of income	- 211.1
add writeoffs charged to the statement of income	+ 291.5
add writeoffs via utilization of reserves for possible loan losses (Caption 90)	+ 297.5
Total writeoffs as at 31.12.94	1,042.6 *

* Or Lire 1,467.2 billion including default interest (424.6 billion)

The following is a comparison of the Bank's domestic lending (only) with that of the Italian banking system as a whole, adopting the bases prescribed by the Bank of Italy. Lending in lire and foreign currency to resident customers net of writeoffs was 8.2% lower on average than in 1993, and 1.9% lower at the year-end; the corresponding reductions for the system as a whole were around 2% and 0.2%.

			billions of Italian Lire	
	31.12.94	31.12.93	Changes	
			Amount	%
AT YEAR-END (1):				
Lire	23,368.2	22,721.1	+ 647.1	2.8
Foreign currency	5,929.1	7,147.9	- 1,218.8	17.1
Total	29,297.3	29,869.0	- 571.7	1.9
AVERAGES (2):				
Lire	23,237.7	23,763.2	- 525.5	2.2
Foreign currency	6,419.0	8,536.9	- 2,117.9	24.8
Total	29,656.7	32,300.1	- 2,643.4	8.2

(1) As reported to the Bank of Italy at face value; system data is derived from supplements to the Bank of Italy's statistical bulletin.
(2) Based on month-end levels.

The Bank's share of the lending market, considering the former banking companies alone, declined during the year from 4.66% to 4.58% (in the case of lira lending, it rose from 4.15% to 4.18%).

	billions of Italian Lire	
	31.12.94	31.12.93
Credito Italiano lending		
- in lire	23,368.2	22,721.1
- in foreign currency	5,929.1	7,147.9
	29,297.3	29,869.0
System lending		
- in lire	559,500	546,863
- in foreign currency	80,300	94,423
	639,800	641,286
MARKET SHARE		
- in lire	4.18%	4.15%
- in foreign currency	7.38%	7.57%
	4.58%	4.66%

The ratio of non-performing loans rose from 4.66% (system 6.85%) to 6.76% (system 8.70%).

billions of Italian Lire				
		Lending Amounts as at		By System Amounts as at
		31.12.94	31.12.93	31.12.94 31.12.93
Lira and foreign currency loans to resident customers		29,297.3	29,869.0	639,800 641,286
Non-performing loans*	a)	2,124.9	1,459.8	61,000 47,161
	b)	31,422.2	31,328.8	700,800 688,447
Ratio a/b		6.76%	4.66%	8.70% 6.85%

*For consistency with System data, the figures include uncleared and protested items.

(System data at Dec. 1994 estimated).

Certain loans entering the non-performing category in the year had already been written down in 1993.

While the cases reviewed were substantially among the active loan accounts, specific provisions were also created against items which had impacted the 1993 statement of income.

The accounts involved totaled Lire 337.4 billion (principal); the relevant losses were forecast at 159.2 billion.

Adjusting the end-1993 data for this factor, the rise during 1994 in the ratio of non-performing loans reduces by 1.08 percentage points (clearly, to be adjusted against the end-1993 value).

The following are supplementary details of the Bank's lending performance:

billions of Italian Lire					
Analysis by type	Amounts as at:		Changes		
	31.12.94	31.12.93	Amount	%	
- in lire:					
Portfolio risk	447.4	526.9	- 79.5	15.1	
Current accounts	9,642.5	9,790.5	- 148.0	1.5	
Mortgages	2,791.0	2,515.3	+ 275.7	11.0	
Other loans	10,487.3	9,888.4	+ 598.9	6.1	
	23,368.2	22,721.1	+ 647.1	2.8	
- in foreign currency	5,929.1	7,147.9	- 1,218.8	17.1	
Total lire and foreign currency	29,297.3	29,869.0	- 571.7	1.9	
Non-performing loans	2,106.9	1,427.7	+ 679.2	47.6	
Protested notes and similar	18.0	32.1	- 14.1	43.9	
Total	31,422.2	31,328.8	+ 93.4	0.3	

billions of Italian Lire					
Analysis by type	Amounts as at:		Changes		
	31.12.94	31.12.93	Amount	%	
- in lire:					
Portfolio risk	496.8	586.2	- 89.4	15.3	
Current accounts	9,716.2	10,398.6	- 682.4	6.6	
Mortgages	2,591.8	2,430.3	+ 161.5	6.6	
Other loans	10,432.9	10,348.1	+ 84.8	0.8	
	23,237.7	23,763.2	- 525.5	2.2	
- in foreign currency	6,419.0	8,536.9	- 2,117.9	24.8	
Total lire and foreign currency	29,656.7	32,300.1	- 2,643.4	8.2	
Non-performing loans	1,821.8	1,175.0	+ 646.8	55.0	
Protested notes and similar	24.1	35.3	- 11.2	31.7	
Total	31,502.6	33,510.4	- 2,007.8	6.0	

(1) Based on month-end levels

Analysis by territory

Geographical areas	billions of Italian Lire			
	31.12.94		31.12.93	
	Amounts	Market share %	Amounts	Market share %
NORTH WEST (Liguria, Lombardy, Piedmont, Valle d'Aosta)	13,747.3	43.75	14,055.1	44.86
NORTH EAST (Emilia Romagna, Friuli Venezia Giulia, Trentino Alto Adige, the Veneto)	4,264.8	13.57	4,393.5	14.02
CENTRE (Lazio, the Marches, Tuscany, Umbria)	7,436.1	23.67	7,184.6	22.93
SOUTH (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia)	4,150.2	13.21	3,936.3	12.57
THE ISLANDS (Sicily, Sardinia)	1,823.8	5.80	1,759.3	5.62
TOTAL	31,422.2	100.00	31,328.8	100.00

Analysis by sector of the economy

	billions of Italian Lire			
	31.12.94		31.12.93	
	Amounts	Market share %	Amounts	Market share %
Civil Service and local government	15.3	0.05	15.0	0.05
Insurance companies	211.1	0.67	73.4	0.23
Banks*	7,133.1	22.70	7,558.4	24.13
Non-finance sector and family businesses:				
- Agriculture, forestry and fishing	302.2	0.96	305.6	0.97
- Energy	605.1	1.93	242.6	0.77
- Minerals and metals (excl. nuclear)	1,145.7	3.65	657.5	2.10
- Minerals and non-metallic products	465.1	1.48	386.0	1.23
- Chemicals	592.9	1.89	597.5	1.91
- Metal products	754.7	2.40	835.7	2.67
- Farm & industrial machinery	845.7	2.69	926.4	2.96
- Office equipment	139.1	0.44	158.3	0.51
- Electrical supply & equipment	615.0	1.96	567.6	1.81
- Vehicles	648.4	2.06	730.8	2.33
- Food & drink	819.3	2.61	875.8	2.80
- Textiles, leather & clothing	1,437.4	4.58	1,319.1	4.21
- Paper, printed matter & publishing	370.9	1.18	324.2	1.03
- Rubber & plastic products	299.5	0.95	309.4	0.99
- Other industrial goods	556.9	1.77	557.5	1.78
- Construction & public works	2,244.7	7.14	2,287.9	7.30
- Business services	3,850.6	12.25	3,876.0	12.37
- Hotel & catering	253.0	0.81	368.9	1.18
- Domestic transport	305.9	0.97	311.7	0.99
- Sea & air transport	115.9	0.37	125.2	0.40
- Transport-related services	158.2	0.51	129.8	0.41
- Communications	267.9	0.85	268.2	0.86
- Other commercial services	1,822.2	5.80	2,304.9	7.36
Private-sector agencies	100.2	0.32	514.2	1.64
Households	5,346.2	17.01	4,701.2	15.01
Total resident customers	31,422.2	100.00	31,328.8	100.00
Outside Italy	224.4		464.9	
TOTAL	31,646.6		31,793.7	

* Including finance companies.

Lending by the Bank's branches abroad declined by 24.2% to around Lire 6,100 billion at the end of 1994. This reflected a policy of reduced lending by the foreign network, evidenced by a sharp drop in foreign business placed by the domestic branches: over 80% of the decline related to loans to residents in Italy, which fell from around Lire 3,100 billion to around 1,500 billion.

SECURITIES

Securities totaled Lire 19,740.4 billion at the end of 1994, higher than a year earlier by 1,805.5 billion (10.1%); investment securities amounted to 4,664.5 billion.

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Investment securities	4,664.5	5,641.4	- 976.9	17.3
Dealing securities	15,075.9	12,293.5	+ 2,782.4	22.6
Total	19,740.4	17,934.9	+ 1,805.5	10.1

The accounting policies applied in valuing securities and distinguishing between dealing and investment securities are dealt with in the Explanatory Notes (Part B - Section 2, and Part A - Section 1, respectively).

The content of the securities portfolios appears below on a comparative basis with the position at end-1993:

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Investment securities				
Treasury Bills (BOT)	91.8	225.0	- 133.2	59.2
Treasury Certificates (CCT)	886.4	2,279.8	- 1,393.4	61.1
Long-term Treasury Bills (BTP)	1,162.3	827.8	+ 334.5	40.4
Certificates of Deposit	109.2	128.3	- 19.1	14.9
Securities received as a result of loan restructuring	493.7	306.5	+ 187.2	61.1
Cassa Depositi e Prestiti (re EFIM)	290.8	290.8	—	—
Credito Fondario S.p.A. bonds	180.8	189.0	- 8.2	4.3
Banco di Sicilia bonds	100.0	100.0	—	—
Mediobanca bonds	199.4	202.7	- 3.3	1.6
Credit Leasing bonds	40.0	40.0	—	—
Bonds issued by international institutions	105.5	102.9	+ 2.6	2.5
Other securities	1,004.6	948.6	+ 56.0	5.9
	4,664.5	5,641.4	- 976.9	17.3
Dealing securities				
Treasury Bills (BOT)	2,795.2	1,889.2	+ 906.0	48.0
Treasury Certificates (CCT)	4,714.8	3,144.2	+ 1,570.6	50.0
Long-term Treasury Bills (BTP)	6,264.2	6,108.3	+ 155.9	2.6
Bonds issued by international institutions	462.9	311.6	+ 151.3	48.6
Mediobanca bonds	97.7	5.4	+ 92.3	• •
Cassa Depositi e Prestiti (re IRI)	85.9	—	+ 85.9	• •
Other securities	655.2	834.8	- 179.6	21.5
	15,075.9	12,293.5	+ 2,782.4	22.6
Total	19,740.4	17,934.9	+ 1,805.5	10.1

Redemption values (investment securities)

The Bank's holdings of fixed-income investment securities reflect a gain in terms of value on redemption (nominal) of Lire 90.5 billion (against 212.2 billion a year earlier).

billions of Italian Lire		
Investment securities	Amounts as at	
	31.12.94	31.12.93
fixed-income securities:		
- redemption value	4,755.0	5,853.6
- book value	4,664.5	5,641.4
	+ 90.5	+ 212.2
	- 121.7	

The decline of Lire 121.7 billion resulted from recovery of principal losses (68.4 billion) on secured stocks obtained in connection with foreign client-company restructuring, sales (12.6 billion) at a "premium/discount" producing gains totaling 50.6 billion and, with opposite sign, writedowns of unsecured foreign stocks (25.7 billion).

The differences comprising the above-mentioned surplus of redemption value against book value are summarised by maturity of the stocks concerned, as follows:

billions of Italian Lire			
Investment securities	Amounts as at 31.12.94		
	Redemption value	Book value	Differences
Maturity:			
- 1995	1,091.9	1,086.7	5.2
- 1996	424.7	427.0	- 2.3
- 1997	424.7	424.8	- 0.1
- 1998	859.3	858.2	1.1
- 1999	700.2	670.5	29.7
- later	1,254.2	1,197.3	56.9
	4,755.0	4,664.5	90.5

Market value (investment securities)

The potential loss represented by the difference between book value and market value at the end of the year amounted to Lire 234.7 billion, calculated as follows:

billions of Italian Lire		
Investment securities	Amounts as at	
	31.12.94	31.12.93
fixed-income securities		
- market value	4,429.8	5,772.5
- book value	4,664.5	5,641.4
	- 234.7	+ 131.1
	- 365.8	

Redemption value (dealing securities)

The redemption value of dealing securities (excluding Treasury Bills and zero-coupon notes) was Lire 79.3 billion higher than book value, despite writedowns; the corresponding difference a year earlier was a loss of 332.2 billion.

billions of Italian Lire		
Investment securities	Amounts as at	
	31.12.94	31.12.93
fixed-income securities		
- redemption value	12,124.4	9,603.3
- book value	12,045.1	9,935.5
	- 79.3	+ 332.2
	- 411.5	

EQUITY INVESTMENTS

These totaled Lire 1,960.2 billion at the end of 1994, including 502.2 billion invested in Group companies.

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Equity investments	1,458.0	26.5	+ 1,431.5	• •
Investments in Group companies	502.2	1,553.6	- 1,051.4	67.7
Total	1,960.2	1,580.1	+ 380.1	24.1

The changes during the year were as follows:

Equity investments

Acquisition of interests previously held by subsidiaries now merged (Credit Holding Bank S.p.A., Credit Holding International S.p.A., Credit Holding Italia S.p.A., Credit Merchant S.p.A. - all based in Milan)

	L/billions	+1,060.4
Additions, increases in existing interests	L/billions	+502.7
Sales	L/billions	- 6.4
Other movements (subscriptions on increases in share capital, contributions on liquidation, coverage of losses)	L/billions	+1.3
Writedowns	L/billions	-126.5
	L/billions	1,431.5

Investments in Group companies

Merger of:

Credit Holding Italia S.p.A. (Milan)	413.5	
Credit Holding International S.p.A. (Milan)	103.7	
Credit Holding Bank S.p.A. (Milan)	843.6	
Credit Merchant S.p.A. (Milan)	67.0	
Generale Immobiliare S.r.l. (Marsala)	4.9	L/billions -1,432.7
Acquisition of interests held by the absorbed companies		L/billions +336.0
Acquisition of new companies and increase interest:		L/billions +56.7
Sales		L/billions -10.5
Coverage of losses		L/billions +26.7
Writedowns		L/billions -27.6
		L/billions 1,051.4

Gains and losses on divestments amounted to Lire 3,176 million and 2,095 million respectively, and are recorded as extraordinary income/charges.

Further details of the movements are reported in the Explanatory Notes (Part B, Section 3.6) and in the supporting schedules.

The table below summarises the balances, guarantees and commitments resulting from dealings with subsidiaries (direct and indirect) and companies subject to significant influence (as defined in Decree No. 87 of 27.1.92, Art. 19.1):

Balance sheet category	billions of Italian Lire	
	Subsidiary companies	Companies subject to significant influence
Assets	1,789.3	418.8
Liabilities	1,194.6	26.2
Guarantees and commitments	227.9	8.9

Fuller details of intercompany balances are provided in an attached schedule.

The Bank's operations in relation to its equity investments are described at greater length in a separate section.

PAYABLES

Payables, which include repurchase agreements, are stated at face value. The total as at 31 December 1994 amounted to Lire 96,637.3 billion.

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
billions of Italian Lire				
Due to customers				
- lire	26,153.1	25,397.7	+ 755.4	3.0
- foreign currency	6,061.7	6,211.3	- 149.6	2.4
	32,214.8	31,609.0	+ 605.8	1.9
Securities issued				
- lire	9,086.2	8,860.9	+ 225.3	2.5
- foreign currency	3,756.5	3,909.6	- 153.1	3.9
	12,842.7	12,770.5	+ 72.2	0.6
Due to banks				
- lire	19,281.3	21,311.8	- 2,030.5	9.5
- foreign currency	32,298.5	33,190.4	- 891.9	2.7
	51,579.8	54,502.2	- 2,922.4	5.4
Total	96,637.3	98,881.7	- 2,244.4	2.3
<i>including repurchase agreements</i>				
- customers	2,960.5	3,894.5	- 934.0	24.0
- banks	4,602.3	6,322.7	- 1,720.4	27.2
	7,562.8	10,217.2	- 2,654.4	26.0

Amounts due to customers (including administered assets of Lire 6.6 billion) rose by 605.8 billion or 1.9% during 1994; securities issued were higher by 72.2 billion or 0.6%, while amounts due to banks declined by 2,922.4 billion (5.4%).

The following is an analysis by type of business of amounts due to customers and securities issued, showing the respective lira and foreign currency elements:

	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
billions of Italian Lire			
Due to customers:			
- deposits	4,669.1	—	4,669.1
- current accounts	19,316.5	5,262.1	24,578.6
- repurchase agreements	2,160.9	799.6	2,960.5
- assets administered	6.6	—	6.6
- other	—	—	—
	26,153.1	6,061.7	32,214.8
Securities issued:			
- bonds	—	—	—
- Certificates of Deposit	8,549.1	3,711.2	12,260.3
- other	537.1	45.3	582.4
	9,086.2	3,756.5	12,842.7
Total	35,239.3	9,818.2	45,057.5

The comparison with 1993 in terms of type of business:

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
billions of Italian Lire				
Due to customers:				
- deposits	4,669.1	4,241.2	+ 427.9	10.1
- current accounts	24,578.6	23,129.3	+ 1,449.3	6.3
- repurchase agreements	2,960.5	3,894.5	- 934.0	24.0
- assets administered	6.6	7.3	- 0.7	9.6
- other	—	336.7	- 336.7	100.0
	32,214.8	31,609.0	+ 605.8	1.9
Securities issued:				
- bonds	—	—	—	—
- Certificates of Deposit	12,260.3	12,321.1	- 60.8	0.5
- other	582.4	449.4	+ 133.0	29.6
	12,842.7	12,770.5	+ 72.2	0.6
Total	45,057.5	44,379.5	+ 678.0	1.5

The following tables relate to amounts due to banks, and show:

- the analysis by type of business and in terms of lira and foreign currency

	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
billions of Italian Lire			
deposits	13,722.4	31,050.1	44,772.5
current accounts for services	908.5	35.9	944.4
advances from Bank of Italy and other amounts due to central banks	82.0	1,165.5	1,247.5
repurchase agreements	4,568.4	33.9	4,602.3
<i>including with Bank of Italy</i>	<i>4,568.4</i>	—	<i>4,568.4</i>
other transactions	—	13.1	13.1
Total	19,281.3	32,298.5	51,579.8

- the comparison with 1993 in terms of type of business:

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
billions of Italian Lire				
deposits	44,772.5	45,341.2	- 568.7	1.3
current accounts for services	944.4	737.9	+ 206.5	28.0
advances from Bank of Italy and other amounts due to central banks	1,247.5	1,673.5	- 426.0	25.5
repurchase agreements	4,602.3	6,322.7	- 1,720.4	27.2
other transactions	13.1	426.9	- 413.8	96.9
Total	51,579.8	54,502.2	- 2,922.4	5.4

As in the case of lending, the bank's domestic (only) performance against the system as a whole is indicated below, adopting the bases prescribed by the Bank of Italy.

Deposits from resident customers rose by 6.0% on average in 1994, or 0.5% at the year-end, a similar performance to that of the system (5.5% average, 1.5% year-

end). Including also the resident banks, Credito Italiano's deposits grew by 8.0% on average, and declined by 4.4% on a year-end basis.

		billions of Italian Lire			
				Changes	
		31.12.94	31.12.93	Amount	%
YEAR-END TOTALS (1)					
Customers	29,966.7	29,811.9	+	154.8	0.5
Banks	6,796.2	8,624.5	-	1,828.3	21.2
Total	36,762.9	38,436.4	-	1,673.5	4.4
AVERAGE TOTALS (2)					
Customers	30,174.9	28,460.6	+	1,714.3	6.0
Banks	7,517.6	6,450.2	+	1,067.4	16.5
Total	37,692.5	34,910.8	+	2,781.7	8.0

(1) As reported to the Bank of Italy; System data is derived from supplements to the Bank of Italy's statistical bulletin
(2) Based on month-end levels

The Bank's market share of lira deposits declined from 3.57% at the end of 1993 to 3.53% (0.04 points down).

Allowing for foreign currency deposits, the decline was from 3.58% to 3.53%.

		billions of Italian Lire	
		31.12.94	31.12.93
Deposits: Credito Italiano			
- in lire			
Current accounts and interest-bearing deposits	22,424.3	22,115.2	
Certificates of Deposit	7,542.4	7,696.7	
	29,966.7	29,811.9	
- in foreign currency	543.6	616.6	
	30,510.3	30,428.5	
Deposits: System			
- in lire			
Current accounts and interest-bearing deposits	610,500	601,023	
Certificates of Deposit	238,000	234,851	
	848,500	835,874	
- in foreign currency	14,800	14,178	
	863,300	850,052	
MARKET SHARES			
- in lire			
Current accounts and interest-bearing deposits	3.67%	3.68%	
Certificates of Deposit	3.17%	3.28%	
	3.53%	3.57%	
- in foreign currency	3.67%	4.35%	
	3.53%	3.58%	

The following tables provide supplementary details of the Bank's payables.

Analysis by type of business:

billions of Italian Lire					
Amounts as at:	31.12.94	31.12.93	Changes		
			Amount	%	
- in lire:					
Ordinary current accounts	17,634.0	17,651.0	- 17.0	0.1	
Restricted current accounts	42.4	84.9	- 42.5	50.1	
Ordinary deposit accounts	4,635.8	4,191.3	+ 444.5	10.6	
Restricted deposit accounts	30.1	71.8	- 41.7	58.1	
Certificates of Deposit a)	7,542.4	7,696.7	- 154.3	2.0	
Mature Certificates of Deposit	82.0	116.2	- 34.2	29.4	
b)	29,966.7	29,811.9	+ 154.8	0.5	
- in foreign currency	543.6	616.6	- 73.0	11.8	
Total	30,510.3	30,428.5	+ 81.8	0.3	
Ratio:					
Certificates of Deposit/Lire deposits (a/b)	25.17%	25.82%			

billions of Italian Lire					
Averages (1)	31.12.94	31.12.93	Changes		
			Amount	%	
- in lire:					
Ordinary current accounts	17,841.3	17,042.9	+ 798.4	4.7	
Restricted current accounts	42.4	28.6	+ 13.8	48.3	
Ordinary deposit accounts	4,524.3	3,452.0	+ 1,072.3	31.1	
Restricted deposit accounts	45.9	59.3	- 13.4	22.6	
Certificates of Deposit a)	7,597.6	7,750.0	- 152.4	2.0	
Mature Certificates of Deposit	123.4	127.8	- 4.4	3.4	
b)	30,174.9	28,460.6	+ 1,714.3	6.0	
- in foreign currency	680.9	608.5	+ 72.4	11.9	
Total	30,855.8	29,069.1	+ 1,786.7	6.1	
Ratio:					
Certificates of Deposit/Lire deposits (a/b)	25.18%	27.23%			

(1) Based on month-end values

Analysis by territory:

billions of Italian Lire				
Geographical areas	31.12.94		31.12.93	
	Amounts	Market share %	Amounts	Market share %
NORTH WEST (Liguria, Lombardy, Piedmont, Valle d'Aosta)	12,045.9	39.48	12,357.7	40.61
NORTH EAST (Emilia Romagna, Friuli Venezia Giulia, Trentino Alto Adige, the Veneto)	3,679.9	12.06	3,710.7	12.19
CENTRE (Lazio, the Marches, Tuscany, Umbria)	6,811.0	22.32	6,544.9	21.51
SOUTH (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia)	5,478.9	17.96	5,354.5	17.60
THE ISLANDS (Sicily, Sardinia)	2,494.6	8.18	2,460.7	8.09
TOTAL	30,510.3	100.00	30,428.5	100.00

Analysis by sector of the economy:

Geographical areas	31.12.94		31.12.93	
	Amounts	Market share %	Amounts	Market share %
Civil Service and local government	652.0	2.18	815.4	2.74
Insurance companies	191.8	0.64	215.9	0.73
Banks	561.4	1.87	629.1	2.11
Non-finance sector and family businesses:				
- Agriculture, forestry and fishing	66.9	0.22	84.6	0.28
- Energy	70.2	0.23	69.3	0.23
- Minerals and metals (excl. nuclear)	108.2	0.36	132.1	0.44
- Minerals and non-metallic products	93.7	0.31	129.1	0.43
- Chemicals	168.1	0.56	140.9	0.47
- Metal products	219.3	0.73	167.4	0.56
- Farm & industrial machinery	351.0	1.17	327.9	1.10
- Office equipment	58.3	0.20	71.7	0.24
- Electrical supply & equipment	244.0	0.81	321.6	1.08
- Vehicles	116.3	0.39	107.1	0.36
- Food & drink	145.5	0.49	152.1	0.51
- Textiles, leather & clothing	346.2	1.16	309.1	1.04
- Paper, printed matter & publishing	89.2	0.30	80.9	0.27
- Rubber & plastic products	66.8	0.22	55.0	0.19
- Other industrial goods	85.3	0.29	90.0	0.30
- Construction & public works	519.0	1.73	390.0	1.31
- Business services	1,352.9	4.52	1,405.2	4.71
- Hotel & catering	65.9	0.22	56.1	0.19
- Domestic transport	285.3	0.95	211.1	0.71
- Sea & air transport	50.8	0.17	26.0	0.09
- Transport-related services	117.3	0.39	122.8	0.41
- Communications	6.4	0.02	6.9	0.02
- Other commercial services	1,227.8	4.10	1,145.4	3.84
Private-sector agencies	5,682.5	18.96	5,833.2	19.57
Households	17,024.6	56.81	16,716.0	56.07
Total resident customers - lire	29,966.7	100.00	29,811.9	100.00
Total resident customers - foreign currency	543.6		616.6	
Total resident customers	30,510.3		30,428.5	
Outside Italy	1,464.4		1,390.9	
TOTAL	31,974.7		31,819.4	

RESERVES

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Reserve for termination indemnities	588.8	588.4	+	0.4
Reserves for risks and charges:				
a) Pensions and similar commitments	—	—	—	—
b) Taxation	166.9	764.8	-	597.9
c) Other	138.6	132.2	+	6.4
	305.5	897.0	-	591.5
Reserve for possible loan losses	100.0	397.5	-	297.5
Total	994.3	1,882.9	-	888.6

Notes:

The reserve for termination indemnities fully covers the liability to the workforce accrued up to the end of 1994, plus provisions for backdated pay increases under

national agreements and similar matters.

The main items comprising the reserves for risks and charges are identified in the Explanatory Notes (Part B, Sec. 7- Reserves)

As in 1993, the reserve for possible loan losses is designed to cover potential losses which cannot be evaluated; the inherent risk in the loans portfolio (mentioned earlier) is thus not included here.

Changes in these reserves during 1994 are summarised below:

billions of Italian Lire				
	Reserve for employee termination indemnities	Reserves for risks and charges Taxation	Other	Reserves for possible loan losses
Amounts as at 31.12.93	588.4	764.8	132.2	397.5
Changes in 1994:				
Uses:				
- to cover payments during the year	- 85.7	- 672.0	- 1.3	—
- to cover writedown of loans	—	—	—	- 297.5
Written back to income	- 0.5	- 13.8	- 10.0	—
Provisions	+ 86.3	+ 88.6	+ 17.4	—
Exchange differences and other changes	+ 0.3	- 0.7	+ 0.3	—
Amounts as at 31.12.94	588.8	166.9	138.6	100.0

SHARE CAPITAL AND EQUITY RESERVES

The changes during 1994 are summarised as follows:

billions of Italian Lire									
Share capital									
- ordinary shares	655.0	+	134.1	—	—	—	+	320.0	— 1,109.1
- savings shares	145.0	-	134.1	—	—	—	—	—	10.9
Total share capital	800.0						+	320.0	— 1,120.0
Share premiums	477.5	+	42.9	—	—	—	+	640.0	— 1,160.4
Reserves:									
- legal reserve	320.0	—	—	—	- 160.0	—	—	—	160.0
- statutory reserves	1,647.5	—	+ 82.0	—	+ 160.0	—	—	—	1,889.5
- other reserves	688.6	—	+ 82.0	—	—	—	—	—	688.6
	2,656.1	—	+ 82.0	—	—	—	—	—	2,738.1
Revaluation reserves:									
- Law 72/83	26.1	—	—	—	—	—	—	—	26.1
- Law 413/91	476.6	—	—	—	—	—	—	—	476.6
	502.7	—	—	—	—	—	—	—	502.7
Total reserves	3,158.8	—	+ 82.0	—	—	—	—	—	3,240.8
Retained earnings	0.2	—	+ 0.3	—	—	—	—	—	0.5
Total capital, reserves & retained earnings									
	4,436.5	+	42.9	+ 82.3	—	—	+	960.0	— 5,521.7
Net income for the year	218.6	—	- 82.3	- 136.3	—	—	+	91.3	91.3
Total shareholders' equity	4,655.1	+	42.9	—	- 136.3	—	+	960.0	+ 91.3 5,613.0

The trend over the last five years is summarised below:

	billions of Italian Lire					
Amounts at end of:	1989	1990	1991	1992	1993	1994
Share capital	800.0	800.0	800.0	800.0	800.0	1,120.0
Share premiums	477.5	477.5	477.5	477.5	477.5	1,160.4
Reserves:						
a) <i>legal reserve</i>	256.0	286.0	320.0	320.0	320.0	160.0
b) <i>reserve for the purchase of own shares</i>	—	—	—	0.4	—	—
c) <i>statutory reserves</i>	1,220.6	1,321.0	1,431.0	1,579.1	1,647.5	1,889.5
d) <i>other reserves</i>	62.1	62.1	62.1	688.6	688.6	688.6
Total reserves	1,538.7	1,669.1	1,813.1	2,588.1	2,656.1	2,738.1
Revaluation reserves	26.1	26.1	502.7	502.7	502.7	502.7
Retained earnings	0.5	0.2	0.1	0.3	0.2	0.5
Total capital, reserves and retained earnings	2,842.8	2,972.9	3,593.4	4,368.6	4,436.5	5,521.7
Net income for the year	270.4	284.1	289.1	208.3	218.6	91.3
Total shareholders' equity	3,113.2	3,257.0	3,882.5	4,576.9	4,665.1	5,613.0
				+ 2,499.8		

The total thus rose from Lire 3,113.2 billion to 5,613 billion between 1989 and 1994, an increase of 2,499.8 billion, of which 1,002.9 billion was contributed by the shareholders.

Further details are provided in the Explanatory Notes (Part B, Section 8) and in an attached schedule (Statement of changes in capital and reserves).

o o o

The amount with respect to securities lodged by customers for custody and administration is noted in the reclassified balance sheet and in the schedules accompanying the Explanatory Notes (Part B, Sec.12). The total was a substantial Lire 84,589.1 billion (82,972.1 billion a year earlier), forming the nucleus of the so-called indirect deposit business.

o o o

Equity for monitoring purposes and capital adequacy ratios

The Bank's equity for the purposes of monitoring by the Bank of Italy is calculated from a series of (positive and negative) key figures, with various weightings and restrictions according to their respective contributions to financial strength. Equity is evaluated at two levels: basic and supplementary.

Basic equity comprises paid-up share capital, reserves including that for general banking risks, and net of own shares or quotas, intangible fixed assets and any prior- or current-year losses.

Supplementary equity is composed of revaluation reserves, hybrid capital, subordinated liabilities and other positive elements, net of losses on securities and certain other items.

The formula involves a standard basis for deducting equity investments and those in other banks and financial institutions, from the sum of base equity and supplementary equity.

Including year-end allocations, the Bank's equity for monitoring purposes was as follows:

billions of Italian Lire	
Amounts as at 31.12.94	
Basic equity	4,886.4
Supplementary equity	2,452.4
	7,338.8
Deductions	157.4
Equity for monitoring purposes	7,181.4

The solvency ratio at the end of 1994 - calculated by relating the equity for monitoring purposes to assets weighted for risk - amounted to 12.47%, against a required minimum of 7%. This implies scope for further lending (on a weighted basis) amounting to around Lire 45,000 billion.

COMMENTARY ON THE STATEMENT OF INCOME

The items resulting in Gross Operating Income are analysed below, accompanied by further analysis and commentary.

Interest margin

billions of Italian Lire					
	1994	1993	Changes		
			Amount	%	
10. Interest income and similar revenues	7,833.7	9,267.1	- 1,433.4	15.5	
20. Interest expense and similar charges	5,406.2	6,760.0	- 1,353.8	20.0	
30. Dividends and other revenues	108.2	24.9	+ 83.3	••	
Total	2,535.7	2,532.0	+ 3.7	0.1	

At Lire 2,535.7 billion, this total was little changed from 1993 (up by 3.7 billion), despite a sharp increase in dividends and other revenues. Ignoring the latter, the overall change was a decline of 3.2%, rather than an increase of 0.1%.

A less-than-favourable performance in this area of the business reflected the decline in lending (mentioned earlier) and a significant narrowing of the spread of average interest rates respectively charged to borrowers and paid to depositors. The effects were partly offset by a rise in interest income from securities and the reduction in compulsory reserve requirements; the latter averaged the same as in 1993 despite the increase in deposits. Another favorable influence was the differential between the return on the compulsory deposit and the cost of funding.

The spread of rates applied to customers averaged 5.41 points, reflecting a slower decline in deposit rates (from 7.25% to 5.41%) than in lending rates (from 13.26% to 10.82%). The largest change in deposit rates affected Certificates of Deposit.

The interest margin was also impacted by restructuring schemes for groups in temporary financial difficulties, and by the rise in non-performing loans.

In compliance with the legislation, the margin excludes interest accrued during the year on overdue amounts (Lire 147.4 billion, against 115.8 billion in 1993).

Interest and related income and expense are summarised below:

billions of Italian Lire				
	1994	1993	Changes	
			Amount	%
10. Interest income and similar revenues				
a) due from banks	2,188.9	2,373.6	- 184.7	7.8
b) loans to customers	3,591.1	5,056.3	- 1,465.2	29.0
c) other	2,030.4	1,799.0	+ 231.4	12.9
	23.3	38.2	- 14.9	39.0
Total	7,833.7	9,267.1	- 1,433.4	15.5

billions of Italian Lire				
	1994	1993	Changes	
			Amount	%
10. Interest expense and similar charges				
a) due to banks	2,868.1	3,615.5	- 747.4	20.7
b) due to customer	1,439.2	1,777.2	- 338.0	19.0
c) securities issued	879.3	1,195.5	- 316.2	26.4
d) public funds administered	• •	• •	• •	• •
e) subordinated loans	89.6	45.1	+ 44.5	98.7
f) negative differential on hedges	130.0	126.7	+ 3.3	2.6
Total	5,406.2	6,760.0	- 1,353.8	20.0

Revenues from services and other sources

billions of Italian Lire				
	1994	1993	Changes	
			Amount	%
40. Commission income	726.3	696.8	+ 29.5	4.2
50. Commission expense	98.9	126.7	- 27.8	21.9
60. Profits/(losses) on financial transactions	(486.0)	660.0	(+1,146.0)	• •
70. Other operating income	151.7	120.8	+ 30.9	25.6
Total	293.1	1,350.9	- 1,057.8	78.3

This total fell by 78.3%, from Lire 1,350.9 billion in 1993 to 293.1 billion (1,057.8 billion down), essentially due to losses on financial operations.

Details of these captions appear below.

Net commissions

billions of Italian Lire				
	1994	1993	Changes	
			Amount	%
40. Commission income	726.3	696.8	+ 29.5	4.2
50. Commission expense	98.9	126.7	- 27.8	21.9
Total	627.4	570.1	+ 57.3	10.1

These are analysed on a comparative basis as follows:

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
- guarantees given and received	74.3	71.6	+	2.7	3.8
- collection and payment services	92.0	91.7	+	0.3	0.3
- administration, brokerage and consultancy services	187.6	157.7	+	29.9	19.0
- other services	273.5	249.1	+	24.4	9.8
Total	627.4	570.1	+	57.3	10.1

At Lire 627.4 billion, net commission income was 57.3 billion (10.1%) higher than in 1993, the increase being mainly accounted for in the administration, brokerage and other services categories.

Administration, brokerage and consultancy services income is analysed below:

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
- security dealing	—	—	—	—	
- foreign currency dealing	66.2	64.4	+	1.8	2.8
- asset management	15.9	8.2	+	7.7	93.9
- custody and administration of securities	17.3	20.0	-	2.7	13.5
- placement of securities	37.9	27.9	+	10.0	35.8
- consultancy activities	• •	—	• •	• •	
- acceptance of instructions from customers	50.3	37.2	+	13.1	35.2
Total	187.6	157.7	+	29.9	19.0

Other services comprised:

			billions of Italian Lire		
			Changes		
	1994	1993	Amount	%	
loans granted/received	134.4	138.2	-	3.8	2.7
security-related services	32.2	20.7	+	11.5	55.6
rental of safe deposit boxes	6.5	6.9	-	0.4	5.8
commission for Mediobanca counter services	20.6	21.1	-	0.5	2.4
refunds and sundry recoveries	31.6	32.2	-	0.6	1.9
other services	48.2	30.0	+	18.2	60.7
Total	273.5	249.1	+	24.4	9.8

Losses on financial transactions are analysed below:

	billions of Italian Lire			
	1994	1993	Changes	
			Amount	%
60. Profits/(losses)				
on financial transactions				
security transactions				
- revaluations/writedowns	(265.2)	118.8	(+ 384.0)	••
- other profits/losses	(237.6)	653.0	(+ 890.6)	••
	(502.8)	771.8	(+1,274.6)	••
foreign currency transactions	6.3	54.1	(+ 47.8)	88.4
other transactions				
- revaluations/writedowns	81.8	(148.1)	(- 229.9)	••
- other profits/losses	(71.3)	(17.8)	(+ 53.5)	••
	10.5	(165.9)	(- 176.4)	••
Total	(486.0)	660.0	(+1,146.0)	••

The loss of Lire 486.0 billion reflects a deterioration compared with 1993 of Lire 1,146.0 billion.

Particular points:

Security transactions: the loss of Lire 502.8 billion includes the writedown (265.2 billion) of dealing securities to market value.

'Other profits/losses' amounted to a loss of Lire 237.6 billion, including 192.5 billion on portfolio turnover in conditions of sliding prices in an unstable market, wiping out some of the substantial gains achieved in 1993. Dealings in futures resulted in a loss of Lire 45.1 billion.

Foreign currency transactions: the net gain of Lire 6.3 billion was 47.8 billion lower than in 1993.

Exchange- and interest-rate risks on forward transactions were managed separately in 1994; the result from foreign currency transactions thus exclusively reflects spot exchange rates. The effects of differentials on hedging transactions (Lire 115.3 billion) are reflected in the interest margin.

Other transactions produced a net gain of Lire 10.5 billion, and included the results of dealings in interest-rate derivatives (swaps, forward-rate agreements, financial futures, cross-currency swaps) reflecting a global policy for managing interest-rate risk; the result also includes the effect of revaluing incomplete agreements at the year-end. All such revaluations were carried out at market values (replacement cost), and involved the matching of the corresponding assets and liabilities.

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
70. Other operating income					
amounts charged to third parties					
- recovery of taxes	34.4	28.6	+	5.8	20.3
- customers' insurance premiums	5.7	5.4	+	0.3	5.6
- deposits and current accounts	73.6	63.4	+	10.2	16.1
	113.7	97.4	+	16.3	16.7
sundry revenues					
- rental income	11.9	11.0	+	0.9	8.2
- recovery of cost of seconded personnel	6.4	5.7	+	0.7	12.3
- other	19.7	6.7	+	13.0	••
	38.0	23.4	+	14.6	62.4
Total	151.7	120.8	+	30.9	25.6

Other operating income totaled Lire 151.7 billion, an increase of 30.9 billion (25.6%) compared with 1993. Factors contributing to the increase included the classification to this caption of the portion relating to the year of premiums/discounts on the issue of securities held at the start of 1994. This treatment reflected a change in accounting policy (required by the legislation) whereby such premiums and discounts are recognized in the statement of income on an accruals basis, rather than on a cash basis as previously.

Administrative costs

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
80. Administrative costs					
a) payroll:					
- wages and salaries	1,057.9	1,025.2	+	32.7	3.2
- social security charges	449.2	455.9	-	6.7	1.5
- employee termination indemnities	86.0	86.9	-	0.9	1.0
	1,593.1	1,568.0	+	25.1	1.6
b) other:					
- indirect taxes	153.0	188.1	-	35.1	18.7
- miscellaneous	567.7	552.3	+	15.4	2.8
	720.7	740.4	-	19.7	2.7
Total	2,313.8	2,308.4	+	5.4	0.2

Administrative costs were contained to a similar level to that in 1993 (up 0.2%), and were fully covered by the interest margin (the ratio of the latter to administrative costs amounted to 109.7% in 1993 and 109.6% in 1994).

Payroll costs, including provisions relating to renewal of national pay agreements and similar matters, were up by Lire 25.1 billion (1.6%).

Other administrative costs declined by Lire 19.7 billion (2.7%); an analysis of these is provided below:

- indirect taxes

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
- payments:					
stamp duty	80.4	114.3	-	33.9	29.7
income-related taxes	3.2	1.6	+	1.6	100.0
registration taxes	6.0	4.7	+	1.3	27.7
INVIM (property tax)	••	1.1	-	1.1	••
ICI (municipal property taxes)	9.6	9.5	+	0.1	1.1
other local taxes	6.6	6.5	+	0.1	1.5
other taxes	2.6	3.4	-	0.8	23.5
	108.4	141.1	-	32.7	23.2
- provisions for risks and charges -					
subheading b) taxation:					
INVIM (property tax)	—	3.6	-	3.6	100.0
stamp duties on bankers' drafts	0.8	0.7	+	0.1	14.3
capital taxes	43.8	33.0	+	10.8	32.7
prudent provision based on assessment received from Genoa tax inspectors	—	9.7	—	9.7	100.0
	44.6	47.0	-	2.4	5.1
Total	153.0	188.1	-	35.1	18.7

The reduction in indirect taxes chiefly related to stamp duties, which declined partly as a result of legislative changes.

- miscellaneous

	1994	1993	billions of Italian Lire		
			Changes		
			Amount	%	
consultancy	30.1	28.9	+	1.2	4.2
insurance	15.1	14.9	+	0.2	1.3
advertising	18.9	32.7	-	13.8	42.2
donations to charity	1.0	1.4	-	0.4	28.6
rental of machines	15.7	14.4	+	1.3	9.0
postal, telephone, telegraphic and telex charges	105.1	99.2	+	5.9	5.9
printing and stationery	20.9	21.7	-	0.8	3.7
office supplies	6.1	6.6	-	0.5	7.6
security costs	24.9	23.3	+	1.6	6.9
information and searches	9.8	7.8	+	2.0	25.6
sundry services	42.3	34.7	+	7.6	21.9
transport and custody of valuable items and documents	20.2	19.4	+	0.8	4.1
cleaning	28.0	28.1	-	0.1	0.4
maintenance and repair of operating assets	46.4	44.6	+	1.8	4.0
maintenance of premises	23.5	25.5	-	2.0	7.8
travel expenses	9.9	10.7	-	0.8	7.5
various rental charges	22.6	22.4	+	0.2	0.9
rental expense	76.2	66.9	+	9.3	13.9
electricity, gas, heating, reception and drinking water	31.2	29.4	+	1.8	6.1
other costs	19.8	19.7	+	0.1	0.5
Total	567.7	552.3	+	15.4	2.8

The rises in certain elements of the above subheading mainly arose from expansion of the branch network (rental expense, transport and custody of valuable items and documents, security costs, etc.). Other items were significantly lower however, notably advertising, where the comparison is affected by the 1993 campaign relating to the Bank's privatization.

Overall, administrative costs were effectively contained.

Profitability comparison with 1993

The changes in the interest margin (a rise of Lire 3.7 billion), in revenues from services and other sources (a fall of 1,057.8 billion), and in administrative costs (up 5.4 billion) caused a decline in gross operating income from 1,574.5 billion in 1993 to 515.0 billion in 1994.

Disregarding the subheading "profits/losses on financial transactions", gross operating income actually rose, by 9.5%.

Net income is analyzed below on a comparative basis (in billions of Lire):

1993		1994
1,574.5	Gross operating income, being the income earned over the 12-month period	515.0
34.0	Add - "Extraordinary income" not included above	43.3
		558.3
1,608.5	Gives	
	Depreciation and provisions recorder in accordance with statutory and fiscal regulations, consistent with the prior year:	
	depreciation and amortization:	
- 335.8	• property	- 37.2
- 81.8	• installations	-103.8
- 6.8	• furniture	- 6.8
- 48.2	• other	- 66.0
- 172.6		- 213.8
- 35.4	provisions, writedowns and writebacks provisions for risks and charges	- 11.6
	writedowns of loans and provisions for guarantees and commitments:	
- 452.2	• adjustment of loans	-291.5
-	• provisions for guarantees and commitments	- 5.8
- 452.2		-297.3
	writebacks of loans and provisions for guarantees and commitments:	
- 12.2	• writeback of loans	211.1
	adjustments to financial fixed assets	
- 79.7	• securities	- 25.7
- 21.9	• equity investments	-154.1
- 101.6		-179.8
	writeback of financial fixed assets:	
-	• securities	68.4
-	• equity investments	-
-		68.4
- 577.0		- 209.2
858.9	Income before taxes	135.3
- 640.3	Less - income taxes for the year	- 44.0
218.6	Net income for the year	91.3

Further information is provided in Part C) of the explanatory notes, while the proposed allocation of net income is set out in the next section.

PROPOSED RESOLUTIONS **ALLOCATION OF NET INCOME**

Shareholders,

You are invited to approve, both together and individually, the report on operations, the explanatory notes, the balance sheet and the statement of income as presented by the Board of Directors.

It is confirmed, in accordance with the regulations governing the 1994/1997 warrants attaching to the Credito Italiano ordinary shares, that the ordinary shares issued (on the basis of one ordinary share, par value Lire 500, for every warrant presented) to bearers of warrants issued at the time of the capital increase and the issue of the subordinated loan, carry the same dividend rights as the ordinary shares traded on the stock exchange at the time the warrants were exercised. Accordingly, they carry the coupon for the period in progress at that date.

With reference to the above, share capital as of 31 December 1994 was as follows:

2,218,293,448 ordinary shares, par value Lire 500 each	1,109,146,724,000
21,706,552 savings shares, par value Lire 500 each	10,853,276,000
With a total par value of	1,120,000,000,000

This was subsequently modified following the exercise of 883,981 warrants and currently is as follows:

2,219,177,429 ordinary shares, par value Lire 500 each	1,109,588,714,500
21,706,552 savings shares, par value Lire 500 each	10,853,276,000
With a total par value of	1,120,441,990,500

Turning to the allocation of net income:

Net income amounted to	91,254,079,357
plus unallocated retained earnings of	467,037,497
Total	91,721,116,854

It is proposed to allocate this as follows:

10% to the legal reserve, pursuant to art. 40 of the Statute	9,125,000,000	
Dividend:		
7% of the par value of capital (Lire 1,109,588,714,500), being Lire 35 for 2,219,177,429 ordinary shares	77,671,210,015	
10% - being 7% plus a further 3% - of the par value of savings shares (Lire 10,853,276,000) being Lire 50 for 21,706,552 savings shares	1,085,327,600	78,756,537,615
Further allocation to the statutory reserves	3,500,000,000	
Carried forward	339,579,239	
		91,721,116,854

If this proposal is approved, share capital, reserves and unallocated retained earnings at the time of approving the 1994 financial statements will be analyzed as follows:

Capital and reserves	1994 balance sheet	Increase due to exercising warrants	Allocation of 1994 net income	Total approved
Share capital:				
- ordinary	1,109,146,724,000	+ 441,990,500	—	1,109,588,714,500
- savings	10,853,276,000	—	—	10,853,276,000
Total share capital	1,120,000,000,000	+ 441,990,500	—	1,120,441,990,500
Share premium	1,160,426,951,680	+ 1,104,976,250	—	1,161,531,927,930
Reserves:				
Legal reserve	160,000,000,000	—	+ 9,125,000,000	169,125,000,000
Statutory reserves	1,889,500,000,000	—	+ 3,500,000,000	1,893,000,000,000
Other reserves	688,571,344,513	—	—	688,571,344,513
	2,738,071,344,513	—	+ 12,625,000,000	2,750,696,344,513
Revaluation reserves				
Law 72/83	26,094,288,318	—	—	26,094,288,318
Law 413/91	476,642,911,456	—	—	476,642,911,456
Total reserves	3,240,808,544,287	—	+ 12,625,000,000	3,253,433,544,287
Retained earnings	467,037,497	—	- 127,458,258	339,579,239
Total capital, reserves and retained earnings	5,521,702,533,464	+ 1,546,966,750	+ 12,497,541,742	5,535,747,041,956

Shareholders

The 1994 financial statements submitted by the Board of Directors for your approval have been prepared in accordance with Decree No. 87 of 27 January 1992 and with Bank of Italy requirements.

The balance sheet is summarised below:

Total assets		L. 111,422,272,195,325
Liabilities and reserves	L. 105,809,315,582,505	
Share capital	L. 1,120,000,000,000	
Share premium reserve	L. 1,160,426,951,680	
Equity reserve:		
- legal reserve	L. 160,000,000,000	
- other reserves	L. 3,080,808,544,287	
Retained earnings	L. 467,037,497	L. 111,331,081,115,968
Net income for the year		<u>L. 91,254,079,357</u>

Net income reflects that reported in the statements of income, which has been duly prepared in vertical format. Guarantees and commitments are noted in the balance sheet, and comprise

Guarantees given	15,545,784,699,635
Commitments	8,738,214,505,687

The report on operations prepared by the Directors fully describes the Bank's financial position and its business performance, both as a whole and in the various operating sectors. Other matters covered in the report mentioned include: comparative data relating to the principal balance sheet and statement of income captions; commentary on significant events following the year-end, including the Public Offer to purchase shares in Gruppo Bancario Credito Romagnolo; and the prospects for the year now in progress.

On the basis of our work during the year and in connection with the preparation of the financial statements, we confirm that the accounting policies set out in the Explanatory Notes comply with the relevant legislation and have been correctly applied, and that we concur with the bases adopted for recording purchased goodwill and other intangible assets (such assets are amortized on a straight-line basis over a maximum period of five years). Your attention is also drawn to the report of the Independent Auditors (KPMG Peat Marwick Fides Snc) for confirmation regarding matters within the scope of their work.

The Directors have complied with the relevant legislation regarding the timescale for delivery to us of the financial statements (comprising the balance sheet, statement of income, explanatory notes and other attachments), together with their associated report on operations.

The Notes provide detailed information relating to the balance sheet and statement of income, which include comparative data relating to the previous year. The disclosures required by Decree No. 917/1986, Art. 105, are provided in a supporting schedule.

We attended the meeting of the Board of Directors and Executive Committee throughout the year, and paid regular visits to the Bank's headquarters and branches, including those abroad.

we maintained routine contact with the Independent Auditors appointed for the three years 1992-1994 (KPMG Peat Marwick Fides Snc), and obtained details regarding the audit programme on which their report is based; we have studied a document summarising the programme and assessing (inter alia) the efficiency of the Bank's system of internal controls.

We are advised that no matters have arisen which could compromise the release of a clean opinion by Independent Auditors, or which might form the subject of recommendations by the latter within the meaning of the CONSOB circular of 1.12.94.

We confirm that to the best of our knowledge, the activities of the Bank have complied with the law and the Articles of Association, and that the accounting records have been properly maintained. These assurances, in the light of the matters discussed above, are based on: information obtained by attending the meetings of the Executive Committee and Board of Directors (the latter also attended by a Bank of Italy official as observer); the results of our checks (inevitably confined to sample data); our examination of the Bank's internal control reports; and the fact - pursuant to art. 1 of Decree No. 136/1975 - that no censurable matters have been notified by the Independent Auditors. You are accordingly invited to approve the 1994 financial statements together with the Directors' proposals regarding the allocation of net income for the year.

Statements submitted to the Board Statutory Auditors by the shareholders under Article 2408 of the Italian Civil Code are discussed in an Appendix to this report.

5 April 1995

THE BOARD OF STATUTORY AUDITORS

P. Costa (Chairman)
G. Arena
G. Armenise
S. Spiniello
G. Tomasin

APPENDIX TO THE REPORT OF THE STATUTORY AUDITORS ON THE 1994
FINANCIAL STATEMENTS

STATEMENTS UNDER ART. 2408 OF THE ITALIAN CIVIL CODE

We have studied the statement addressed to the previous Board of Statutory Auditors by a shareholder, Mr Marco Bava, at the Meeting held on 16 April 1994, pursuant to Article 2408 of the Italian Civil Code. According to the minutes of the Meeting mentioned, the shareholder's call to impeach the Chairman and the Board of Directors as rejected by a very large majority.

We have also studied a Statement under the same legislation received in the form of a letter dated 14 March 1995 from another shareholder, Mr Giuliano Cuccurullo. Having carefully considered the letter, we report as follows:

1. The shareholder brought proceedings before the Genoa Court, alleging illegality of the appointments of the Directors and Statutory Auditors, at the Meeting held on 16.4.94. The Court has rejected, giving its reasons, the application to have the relevant Resolution set aside. The Board feels that this decision must clearly stand.
- 2 Regarding application of the proceeds from the increase in share capital, there are no restrictions under either the law or the Articles of Association as to the use of these proceeds to fund acquisitions; such a possibility as in any case clearly indicated in the Directors' report to the Extraordinary Meeting which approved the proposed capital increase. A Further point is that the Public Offer to purchase shares in Gruppo Bancario Credito Romagnolo (now being finalised) was the subject of review and approval by both the Bank of Italy and CONSOB.
- 3 Regarding the costs of the above mentioned legal which, according to the shareholder, should not be borne by the Bank, it is clear that Mr Cuccurullo brought the case against the Bank which therefore could not avoid instructing its own legal advisor and thereby incurring expense.
- 4 Regarding the conduct of the Company's legal advisors (which, according to the shareholder, violated Articles 380 and 381 of the Italian Penal Code), we consider that these matters are beyond the scope of Article 2408 of the Italian Civil Code, and are consequently outside our jurisdiction.

In the light of these considerations, we did not feel that any action in these matters as required on our part, particularly in view of the impending Shareholders' Meeting.

Details of the statements mentioned have been forwarded to the relevant authorities.

5 April 1995

THE BOARD OF STATUTORY AUDITORS

P. Costa (Chairman)
G. Arena
G. Armenise
S. Spiniello
G. Tomasin



Peat Marwick

Organizzazione e revisione contabile

KPMG Peat Marwick Fides s.n.c.
di Giuseppe Angiolini e C.
Via Vittor Pisani, 25
20124 Milano

Telefono (02) 67 63 1
Telefax (02) 67 63 24 45

Cod. Fisc. e IVA 00709600159
Sede legale:
Via Vittor Pisani, 25 - 20124 Milano

(TRANSLATION OF THE ITALIAN ORIGINAL
WHICH REMAINS THE DEFINITIVE VERSION)

REPORT OF THE INDEPENDENT AUDITORS
Pursuant to Art.4 of Presidential Decree No. 136 of March 31, 1975

To the Stockholders of
Credito Italiano S.p.A.:

1. We have audited the financial statements of Credito Italiano S.p.A. as of and for the year ended December 31, 1994. We have also checked the consistency of the Board of Directors' report on operations with the financial statements.
2. Our examination was made in accordance with the auditing standards and procedures recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") and included such tests as we considered necessary for the purposes of our engagement. The financial statements of certain subsidiary companies have been examined by other auditing firms, whose reports thereon have been furnished to us. Our opinion expressed in this report, insofar as it relates to the value of such investments which represent respectively 18.7% and 0.3% of all equity investments and total assets, is partly based on the work performed by such other auditing firms. For our opinion on the prior year's financial statements, which are presented for comparative purposes as requested by the law, reference should be made to our auditors' report dated March 28, 1994.
3. In our opinion, the financial statements, taken as a whole, have been prepared clearly and give a true and fair view of the financial position and results of operations of the Bank, in accordance with the law related to financial statements. Therefore, we certify the financial statements of Credito Italiano S.p.A. as of December 31, 1994.
4. The Bank holds controlling interests in subsidiary companies and has therefore prepared consolidated financial statements for the Group. Such consolidated financial statements, which we have audited, are presented together with our auditors' report.

G. Angiolini
J. Agterberg
S. Bandini
M. Boella
B. Borgia
G.E.C. Burrows
G. Capiagli
S. Capuano
A. Deegan

G.E. Esposito
M. Galanti
F. Garilli
G.P. Ghigo
D. Grassano
L.R. Guerini
D.J.B. Herrera
F. Iannoni Sebastianini
E. Invernizzi

G. Loli
A. Longo
F. Magni
B. Mastrangelo
S. Pallavicini
A. Panizza
P. Pascoli
P. Portaluppi
S. Sanna

M. Santi
O. Scarpellini
G. Scimone
E. Shore
F. Spadaro
M. Tamborini
R. Todeschini
P.G. Valle
F. Zappettini

5. Attention is drawn to the fact, consistent with Consob communication DAC/RM/95001286 of February 15, 1995, that the Executive Committee has specifically authorized the transfer of securities to the investment portfolio; the reasons for this and the effect of the transfer on the financial statements are disclosed in the report on operations.

Milan, Italy, April 5, 1995

KPMG Peat Marwick Fides s.n.c.
di Giuseppe Angiolini e C.

(Signed)

S/Lorenzo Renato Guerini - Partner

Shareholders,

In accordance with the instructions contained in the Bank of Italy regulations dated 16 January 1995, which replace those dated 15 July 1992 implementing Decree 87 of 27 January 1992 (as revised by Decree 385/93 which consolidated banking legislation), the financial statements of the Bank comprise the Balance Sheet, the Statement of Income and the explanatory notes, accompanied by the report on operations set out earlier herein.

The following appendices also form an integral part of the report:

- statement of changes in financial position;
- statement of changes in capital and reserves;
- schedule of balance sheet data and performance figures for significant equity investments (see point 3.1 of the accompanying notes);
- schedule of amounts due to and from Group companies (see point 3.2 of the accompanying notes);
- schedule of amounts due to and from other affiliated companies (not Group companies) (see point 3.3 of the accompanying notes);
- analysis of caption 70 "Equity investments" (see point 3.4 of the accompanying notes);
- analysis of caption 80 "Investments in Group companies" (see point 3.5 of the accompanying notes);
- schedule of changes in equity investments (see point 3.6 of the accompanying notes);
- schedule of forward transactions (see point 10.5 of the accompanying notes);
- geographical distribution of assets and liabilities (see point 11.5 of the accompanying notes);
- analysis of assets and liabilities by maturity (see point 11.6 of the accompanying notes);
- tax status of the reserves reported in the approved Financial Statements for 1993 (required by Article 105.7 of Presidential Decree 917 dated 22 December 1986);
- schedule of property (required by Article 10 of Law No. 72/83).

BALANCE SHEET AS AT 31 DECEMBER 1994

Italian Lire

ASSETS

10. Cash and deposits with central banks and post offices		269,258,647,273
20. Treasury bills and similar bills eligible for refinancing with central banks		6,091,281,891,948
30. Due from banks:		43,193,211,684,846
a) on demand	1,329,848,935,584	
b) other	41,863,362,749,262	
40. Loans to customers including:		38,304,143,866,689
- loans using public funds	7,794,905,279	
50. Bonds and other debt securities:		13,474,066,759,409
a) public entities	10,568,899,761,034	
b) banks including:	1,681,396,194,624	
- own bonds	—	
c) financial institutions including:	551,146,342,142	
- own bonds	—	
d) other issuers	672,624,461,609	
60. Shares, quotas and other forms of capital		175,062,895,441
70. Equity investments		1,458,041,203,538
80. Investments in Group companies		502,166,728,355
90. Intangible fixed assets including:		145,072,360,920
- start-up costs	—	
- goodwill	10,380,255,917	
100. Tangible fixed assets		1,145,188,411,792
130. Other assets		4,941,826,094,822
140. Accrued income and prepaid expenses:		1,722,951,650,292
a) accrued income	1,433,460,729,413	
b) prepaid expenses including:	289,490,920,879	
- discount on issue of securities	5,612,126,511	
Total assets		111,422,272,195,325

LIABILITIES AND SHAREHOLDERS' EQUITY

10. Due to banks:		51,579,831,419,071
a) on demand	3,995,766,469,792	
b) term deposits or with notice period	47,584,064,949,279	
20. Due to customers:		32,208,191,478,411
a) on demand	23,451,771,828,276	
b) term deposits or with notice period	8,756,419,650,135	
30. Securities issued:		12,842,691,958,426
a) bonds	—	
b) certificates of deposit	12,260,255,950,037	
c) other	582,436,008,389	
40. Public funds administered		6,625,533,035
50. Other liabilities		4,919,628,742,126
60. Accrued expenses and deferred income:		1,281,266,160,797
a) accrued expenses	947,200,456,199	
b) deferred income	334,065,704,598	
70. Provision for employee termination indemnities		588,833,813,275
80. Provisions for risks and charges:		305,496,477,363
a) pensions and similar commitments	—	
b) taxation	166,916,876,634	
c) other	138,579,600,729	
90. Reserve for possible loan losses		100,000,000,000
110. Subordinated liabilities		1,976,750,000,000
120. Share capital		1,120,000,000,000
130. Share premium reserve		1,160,426,951,680
140. Reserves:		2,738,071,344,513
a) Legal reserve	160,000,000,000	
b) Reserve for the purchase of own shares	—	
c) Statutory reserves	1,889,500,000,000	
d) Other	688,571,344,513	
150. Revaluation reserves		502,737,199,744
160. Retained earnings		467,037,497
170. Net income for the year		91,254,079,357
Total liabilities and shareholders' equity		111,422,272,195,325

GUARANTEES AND COMMITMENTS

millions of Italian Lire

CAPTION

10. Guarantees given		15,545,784,699,635
including:		
- acceptances	113,157,902,173	
- other guarantees	15,432,626,797,462	
20. Commitments		8,738,214,505,687
including:		
- repurchase agreements	—	

STATEMENT OF INCOME - 1994

Italian Lire

CAPTION

10. Interest income and similar revenues		7,833,726,841,939
including from:		
- loans to customers	3,591,121,026,202	
- debt securities	2,030,381,658,185	
20. Interest expense and similar charges		5,406,228,352,855
including on:		
- amounts due to customers	1,439,205,096,368	
- securities issued	879,339,043,684	
30. Dividends and other revenues:		108,143,300,850
a) from shares, quotas and other forms of capital	14,747,987,836	
b) from equity investments	24,482,824,571	
c) from investments in Group companies	68,912,488,443	
40. Commission income		726,255,631,125
50. Commission expense		98,928,027,017
60. Profits (losses) on financial transactions		(485,963,118,528)
70. Other operating income		151,749,839,466
80. Administrative costs:		2,313,772,788,704
a) payroll	1,593,117,889,216	
including:		
- wages and salaries	1,057,881,342,577	
- social security charges	449,251,812,791	
- provisions for employee termination indemnities	85,984,733,848	
- provisions for pensions and similar commitments	—	
b) other	720,654,899,488	
90. Adjustments to intangible and tangible fixed assets		213,802,857,136
100. Provisions for risks and charges		11,629,305,787
120. Adjustments to loans and provisions for guarantees and commitments		297,267,980,617
130. Writeback of loans and provisions for guarantees and commitments		211,103,270,700
150. Adjustments to financial fixed assets		179,736,318,406
160. Writeback of financial fixed assets		68,376,699,775
170. Income from operating activities		92,026,834,805
180. Extraordinary income		164,516,257,253
190. Extraordinary charges		121,273,371,983
200. Extraordinary income, net		43,242,885,270
220. Income taxes		44,015,640,718
230. Net income for the year		91,254,079,357

Deputy Chairman/Managing Director

Bruno

Chief Accountant

Arbuffo

BALANCE SHEETS

Italian Lire

ASSETS		1994	1993
10. Cash and deposits with central banks and post offices		269,258,647,273	244,092,228,166
20. Treasury bills and similar bills eligible for refinancing with central banks		6,091,281,891,948	14,930,082,797,415
30. Due from banks:		43,193,211,648,846	39,225,609,502,819
a) on demand	1,329,848,935,584		2,649,618,028,456
b) other	41,863,362,749,262		36,575,991,474,363
40. Loans to customers		38,304,143,866,689	45,357,440,413,786
including:			
- loans using public funds	7,794,905,279		1,669,923,314
50. Bonds and other debt securities:		13,474,066,759,409	2,742,653,672,609
a) public entities	10,568,899,761,034		623,196,496,695
b) banks	1,681,396,194,624		562,545,325,011
including:			
- own bonds	—		—
c) financial institutions	551,146,342,142		21,641,606,322
including:			
- own bonds	—		—
d) other issuers	672,624,461,609		1,535,270,271,581
60. Shares, quotas and other forms of capital		175,062,895,441	262,188,833,998
70. Equity investments		1,458,041,203,538	26,492,049,187
80. Investments in Group companies		502,166,728,355	1,553,642,782,298
90. Intangible fixed assets		145,072,360,920	116,390,848,208
including:			
- start-up costs	—		—
- goodwill	10,380,225,917		14,901,615,997
100. Tangible fixed assets		1,145,188,411,792	1,219,973,626,315
130. Other assets		4,941,826,094,822	5,958,381,473,352
140. Accrued income and prepaid expenses:		1,722,951,650,292	1,853,283,168,841
a) accrued income	1,433,460,729,413		1,508,757,983,166
b) prepaid expenses	289,490,920,879		344,525,185,675
including:			
- discount on issue of securities	5,612,126,511		7,032,858,910
Total assets		111,422,272,195,325	113,490,231,396,994

LIABILITIES AND SHAREHOLDERS' EQUITY		1994	1993
0. Due to banks:		51,579,831,419,071	54,502,175,483,144
a) on demand	3,995,766,469,792		3,589,479,542,365
b) term deposits or with notice period	47,584,064,949,279		50,912,695,940,779
0. Due to customers:		32,208,191,478,411	31,601,643,340,588
a) on demand	23,451,771,828,276		22,970,674,248,650
b) term deposits or with notice period	8,756,419,650,135		8,630,969,091,938
0. Securities issued:		12,842,691,958,426	12,770,501,321,581
a) bonds	—		—
b) certificates of deposit	12,260,255,950,037		12,321,077,413,659
c) other	582,436,008,389		449,423,907,922
0. Public funds administered		6,625,533,035	7,345,539,061
0. Other liabilities		4,919,628,742,126	5,104,281,839,461
0. Accrued expenses and deferred income:		1,281,266,160,797	1,487,316,827,584
a) accrued expenses	947,200,456,199		1,158,523,061,227
b) deferred income	334,065,704,598		328,793,766,357
0. Provision for employee termination indemnities		588,833,813,275	588,412,873,664
0. Provisions for risks and charges:		305,496,477,363	897,054,646,298
a) pensions and similar commitments	—		—
b) taxation	166,916,876,634		764,826,875,020
c) other	138,579,600,729		132,227,771,278
0. Reserve for possible loan losses		100,000,000,000	397,472,845,549
0. Subordinated liabilities		1,976,750,000,000	1,478,925,500,000
0. Share capital		1,120,000,000,000	800,000,000,000
0. Share premium reserve		1,160,426,951,680	477,500,000,000
0. Reserves:		2,738,071,344,513	2,656,071,344,513
a) legal reserve	160,000,000,000		320,000,000,000
b) reserve for the purchase of own shares	—		—
c) statutory reserves	1,889,500,000,000		1,647,500,000,000
d) other	688,571,344,513		688,571,344,513
0. Revaluation reserves		502,737,199,774	502,737,199,774
0. Retained earnings		467,037,497	242,040,323
0. Net income for the year		91,254,079,357	218,550,595,454
Total liabilities and shareholders' equity		111,422,272,195,325	113,490,231,396,994

GUARANTEES AND COMMITMENTS

OPTION		1994	1993
0. Guarantees given including:		15,545,784,699,635	13,946,506,569,003
- acceptances	113,157,902,173		302,834,037,414
- other guarantees	15,432,626,797,462		13,643,672,531,589
0. Commitments including:		8,738,214,505,687	8,243,540,405,460
- repurchase agreements	—		—

STATEMENTS OF INCOME

Italian Lire

CAPTION	1994	1993
10. Interest income and similar revenues	7,833,726,841,939	9,267,123,758,155
including from:		
- loans to customers	3,591,121,026,202	5,056,331,839,906
- debt securities	2,030,381,658,185	1,798,961,539,880
20. Interest expense and similar charges	5,406,228,352,855	6,760,040,020,398
including on:		
- amounts due to customers	1,439,205,096,368	1,777,152,730,696
- securities issued	879,339,043,684	1,195,511,149,214
30. Dividends and other revenues:	108,143,300,850	24,854,889,791
a) from shares, quotas and other forms of capital	14,747,987,836	14,980,957,574
b) from equity investments	24,482,824,571	1,795,815,884
c) from investments in Group companies	68,912,488,443	8,078,116,333
40. Commission income	726,255,631,125	696,817,751,887
50. Commission expense	98,928,027,017	126,758,721,390
60. Profits (losses) on financial transactions	(485,963,118,528)	660,015,631,805
70. Other operating income	151,749,839,466	120,819,909,561
80. Administrative costs:	2,313,772,788,704	2,308,392,238,534
a) payroll	1,593,117,889,216	1,567,995,143,367
including:		
- wages and salaries	1,057,881,342,577	1,025,156,852,251
- social security charges	449,251,812,791	455,893,196,161
- provisions for employee termination indemnities	85,984,733,848	86,945,094,955
- provisions for pensions and similar commitments	—	—
b) other	720,654,899,488	740,397,095,167
90. Adjustments to intangible and tangible fixed assets	213,802,857,136	172,614,402,618
100. Provisions for risks and charges	11,629,305,787	35,443,058,484
120. Adjustments to loans and provisions for guarantees and commitments	297,267,980,617	452,208,041,150
130. Writeback of loans and provisions for guarantees and commitments	211,103,270,700	12,208,041,150
150. Adjustments to financial fixed assets	179,736,318,406	101,554,220,553
160. Writeback of financial fixed assets	68,376,699,775	—
170. Income from operating activities	92,026,834,805	824,829,279,222
180. Extraordinary income	164,516,257,253	97,019,629,961
190. Extraordinary charges	121,273,371,983	63,013,389,821
200. Extraordinary income, net	43,242,885,270	34,006,240,140
220. Income taxes	44,015,640,718	640,284,923,908
230. Net income for the year	91,254,079,357	218,550,595,454

Deputy Chairman/Managing Director

Chief Accountant

Bruno

Arbuffo

**EXPLANATORY
NOTES****PART A) ACCOUNTING POLICIES**

Section 1	Explanation of the accounting policies adopted
Section 2	Fiscal adjustments and provisions

PART B) INFORMATION REGARDING THE BALANCE SHEET

Section 1	Loans
Section 2	Securities
Section 3	Equity investments
Section 4	Tangible and intangible fixed assets
Section 5	Other assets
Section 6	Payables
Section 7	Provisions
Section 8	Share capital reserves, reserve for general banking risks and subordinated liabilities
Section 9	Other liabilities
Section 10	Guarantees and commitments
Section 11	Concentration and distribution of assets and liabilities
Section 12	Administration and dealing on behalf of third parties

PART C) INFORMATION REGARDING THE STATEMENT OF INCOME

Section 1	Interest
Section 2	Commission
Section 3	Profits (losses) on financial transactions
Section 4	Administrative costs
Section 5	Adjustments, writebacks and provisions
Section 6	Other statement of income captions
Section 7	Other information regarding the statement of income

PART D) OTHER INFORMATION

Section 1	Directors and Statutory Auditors
Section 2	Parent company or controlling bank (*)

(*) Excluded, since not significant

**PART A)
ACCOUNTING
POLICIES**

Section 1 - Explanation of the accounting policies adopted

Assets, liabilities and memorandum accounts are valued separately, in accordance with current legislation, although interrelated amounts are treated on a consistent basis.

Hedging transactions give rise to a series of interrelated balances.

1. Loans - Guarantees and commitments

These are stated at estimated realizable value, taking account of market prices, where applicable, considering:

- a) the solvency of borrowers;
- b) the difficulty in servicing debt encountered by the countries of residence of such borrowers.

Provisions made with respect to point b) are determined on an overall basis (as a percentage of the capital outstanding), using criteria agreed within the banking system to identify the countries at risk and their respective levels of solvency.

2. Securities and off-balance sheet transactions (excluding currency hedges)

2.1 Investment securities

Investment securities are stated at purchase cost as written down, where appropriate, to reflect any permanent reduction in the solvency of the issuer and the ability to repay debt of the issuer's country of residence, taking account of available guarantees.

Purchase cost is also adjusted by the accrued difference between such original cost and the higher/lower redemption value of the securities.

Cost is determined with reference to the moving weighted average prices identified on a daily basis.

2.2 Dealing securities

Dealing securities are valued as follows:

- a) at market value, if listed on organised markets;
- b) at the lower of purchase cost or market value, otherwise.

Cost is determined with reference to the moving weighted average prices identified on a daily basis, as adjusted by the accrued difference between the issue and redemption prices of the securities concerned (issue discount/premium).

Market value is determined as follows:

- a) securities listed on Italian or foreign organised markets are stated at their average prices during the last month of the year;
- b) securities not listed on Italian or foreign organised markets are stated at their estimated realisable value.

Realisable value is estimated with reference to:

- the market performance of securities with similar characteristics that are listed on Italian or foreign organised markets;
- the solvency of the issuer;
- the difficulty in servicing debt faced by the issuer's country of residence;
- other objective factors.

Off-balance sheet transactions (excluding currency hedges) involving investment securities are valued at the contract value, both in the case of unsettled repurchase agreements and in the case of derivative contracts backed by underlying securities.

Off-balance sheet transactions (excluding currency hedges) not involving investment securities are valued as follows:

- unsettled repurchase agreements:
- involving securities listed on organised markets are stated at market value, being the year-end prices for maturities corresponding to those underlying the contracts concerned;
- involving securities not listed on organised markets are stated at the lower of contract value or market value, in the case of purchases, and the higher of these two values in the case of sales. Market value is determined on the basis described for unquoted dealing securities and in the previous paragraph;
- derivative contracts backed by securities or linked to interest rates, indices or other assets:
- are stated at market value, if listed on organised markets or priced with reference to parameters that are either quoted or identifiable from information sources normally used at an international level;
- if unlisted, are stated at the lower of contract value or market value in the case of purchases, and the higher of these two values in the case of sales.

3. Equity investments

Equity investments are held on a long-term basis and are valued at purchase cost as written down, where appropriate, to reflect any permanent reductions in value

4. Foreign currency assets and liabilities (including off-balance sheet transactions)

Assets and liabilities denominated in foreign currency are valued using the spot exchange rates prevailing at year-end.

Financial, tangible and intangible fixed assets whose value is not hedged on an overall or specific basis in the spot or forward markets are stated using the exchange rates prevailing at the time they were purchased.

Foreign currency borrowing to back Italian Lire loans granted with State guarantees against foreign exchange risk is stated using the exchange rates prevailing at the time such loans were arranged.

Off-balance sheet transactions in foreign currency are valued as follows:

- at the spot exchange rate prevailing at year-end, in the case of unsettled spot transactions;
- at the forward rate at the year-end date for maturities corresponding to those underlying the transactions concerned.

5. Tangible fixed assets

Tangible fixed assets are recorded at purchase cost, including related expenses, as adjusted by subsequent incremental expenditure and by the effect of any revaluations pursuant to related legislation.

Tangible fixed assets with a limited life are depreciated on a systematic basis each year with reference to their residual useful lives.

Tangible fixed assets are written down to reflect any permanent reduction in their value with respect to the cost or net book value determined on the basis described above.

6. Intangible fixed assets

Goodwill is amortised over five years.

The cost of rights to use patents, intellectual property, licences, trademarks and similar assets is amortised on a systematic basis each year with reference to their residual useful lives.

Start-up and expansion costs, research and development and other deferred costs are amortised over a period not exceeding five years.

As an exception, leasehold improvements deferred up until the end of 1992 are amortised over the rental period.

Pursuant to legal requirements, the accounting policies adopted in relation to the valuation of securities and equity investments were communicated to the Board of Statutory Auditors on a timely basis, which has also approved the accounting treatment of deferred costs (pursuant to Decree 87/92, Article 10.2.a), b) and d)) and the criteria adopted for the amortisation of intangible fixed assets.

Section 2 - Fiscal adjustments and provisions

2.1 Adjustments recorded solely for fiscal purposes

No such adjustments have been made.

2.2 Provisions recorded solely for fiscal purposes

No such provisions have been made.

**PART B)
INFORMATION
REGARDING
THE BALANCE SHEET**

Section 1 Loans

1.1 Analysis of caption 30 "Due from banks"

	millions of Italian Lire
	Amounts as at 31.12.94
a) deposits with central banks	3,576,949
b) bills eligible for refinancing with central banks	—
c) repurchase agreements	1,427,591
d) loan of securities	—

1.2 Analysis of caption 40 "Loans to customers"

	millions of Italian Lire
	Amounts as at 31.12.94
a) bills eligible for refinancing with central banks	194,246
b) repurchase agreements	1,785,460
c) loan of securities	—

1.3 "Secured loans to customers"

	millions of Italian Lire
	Amounts as at 31.12.94
a) loans secured by mortgages	3,077,228
b) loans secured by:	
1. cash deposits	420,712
2. securities	1,708,723
3. other assets	28,657
c) loans secured by guarantees from:	
1. governments	359,760
2. other public bodies	43,611
3. banks	289,260
4. other operators	6,271,557
Total	12,199,508

1.4 Non-performing loans (including default interest)

	millions of Italian Lire
	Amounts as at 31.12.94
a) non-performing loans (including default interest)	1,188,863

1.5 Outstanding default interest

	millions of Italian Lire
	Amounts as at 31.12.94
a) non-performing loans	—
b) other loans	—

SCHEDULE OF BALANCE SHEET DATA AND PERFORMANCE FIGURES FOR SIGNIFICANT EQUITY INVESTMENTS
(SEE POINT 3.1 OF THE ACCOMPANYING NOTES) TAKEN FROM THE FINANCIAL STATEMENTS AS AT 31.12.94

BALANCE SHEET

	BANCA CATTOLICA SPA	BANCA CREDITVEST E DEI COMUNITI VESUVIANI SPA	BANCA POPOLARE DI SPOLETO SPA	BANQUE TRANSATLANTIQUE DE MONACO (a)	CORDUSIO SOCIETA' - FIDUCIARIA PER AZIONI	CREDIT CONSULT SPA DI INTERMED. MOBILIARE	CREDIT FACTORING INTERNATIONAL SPA	CREDIT FIDUCIARIA SPA	CREDIT LEASING SOCIETA' PER IL LEASING FIN. SPA	CREDITOITON SPA	CREDITO ITALIANO BANCA S.p.A.
	(Lit.)	(Lit.)	(Lit.)	(FFr)*	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(D.M.)*
ASSETS											
10. Cash and deposits with central banks and post offices	6,981,883,451	4,107,744,138	10,029,834,349	845,000	9,059,500	7,431,300	43,234,343	1,602,750	65,548,321	1,915,657,782	14,919,494
20. Treasury bills and similar bills eligible for refinancing with central banks	266,445,848,567	381,287,004,727	196,558,824,604			12,600,082,190					
30. Due from banks	169,865,804,025	368,544,155,027	145,153,216,462	1,022,049,000	838,078,171	3,559,409,000	5,527,771,140	379,234,382	2,643,832,286	51,754,745	685,150,984
40. Loans to customers	380,360,309,518	550,219,305,759	954,869,873,449	107,683,000	2,290,740,389	1,545,464,266	1,141,724,530,493		117,903,775,742	377,917,062,520	245,867,214
50. Bonds and other debt securities	289,771,790,991	62,308,623,959	407,292,890,173	2,000	4,258,317,924			2,039,800,718			226,827,886
60. Shares, quotas and other forms of capital		98,449,505	782,002,500								
70. Equity investments	3,828,173,151	4,581,065,309	2,410,490,700	6,117,000		14,037,000					103,636
80. Investments in Group companies											105,000
90. Intangible fixed assets	1,303,208,520	8,053,196,851	2,830,904,655	8,049,000	123,796,718	408,818,510	201,977,561	64,413,896	1,268,483,069	498,079,736	2,125,661
100. Tangible fixed assets	33,803,184,120	33,705,219,386	50,585,742,484	1,443,000	342,654,549	429,863,235	510,686,141	130,247,064	1,383,233,896,320	897,365,123	1,123,009
110. Own shares											
130. Other assets	39,652,138,265	34,375,020,686	99,982,414,028	3,907,000	395,924,773	991,652,813	3,083,619,109	114,340,650	40,897,062,253	3,309,840,942	5,541,608
140. Accrued income and prepaid expenses	16,292,587,109	25,404,538,069	27,707,104,614	4,816,000	214,763,166	937,340,285	1,282,065,529	67,431,681	20,595,972,705	7,940,831,752	15,722,515
Total assets	1,208,304,727,717	1,472,664,343,416	1,898,153,238,018	1,154,811,000	8,473,335,180	20,480,061,599	1,152,387,921,316	2,797,071,121	1,566,248,670,696	982,530,592,600	1,197,486,989
LIABILITIES AND SHAREHOLDERS' EQUITY											
10. Due to banks	51,573,022,232	505,009,909,638	118,169,052,526	258,059,000	216,088,302	14,730,000	917,037,821,928	347,000,000	1,107,861,990,994	340,334,551,980	965,538,183
20. Due to customers	585,908,807,510	617,794,419,554	996,417,746,462	842,089,000	19,100,711	1,282,131,042	188,013,844,668		73,778,109,963	20,400,616,400	101,406,774
30. Securities issued	431,345,468,427	163,805,926,875	532,942,265,757	300,000					40,000,000,000		
40. Public funds administered	30,964,000	619,251,532									4,509,674
50. Other liabilities	11,894,252,953	34,055,260,444	62,223,002,593	1,571,000	1,046,616,313	3,118,783,541	3,881,700,380	100,524,000	102,078,565,736	6,712,101,093	7,329,252
60. Accrued expenses and deferred income	17,816,897,274	16,389,703,117	24,300,113,932	5,462,000	8,137,890	272,141,840	5,021,331,576		183,703,941,323		5,356,477
70. Provision for employee termination indemnities	11,784,593,165	13,360,116,369	21,791,357,779		451,489,901	942,003,250	1,499,020,811		1,647,642,949	377,174,373	
80. Provisions for risks and charges	2,962,468,943	5,839,091,139	20,019,643,078	5,345,000	352,144,900	890,540,896	1,924,073,238	253,039,094	1,193,699,094	2,100,474,000	6,403,584
90. Reserves for possible loan losses										1,500,000,000	
100. Reserve for general banking/financial risks		882,856,000	1,000,000,000				3,000,000,000			2,000,000,000	2,232,000
110. Subordinated liabilities			14,000,000,000								70,000,000
120. Share capital	(*)	72,172,000,000	47,328,000,000	33,750,000	1,000,000,000	15,000,000,000	30,000,000,000	2,000,000,000	40,000,000,000	11,000,000,000	30,000,000,000
130. Share premium reserve	(*)	26,339,800,000	14,389,368,775	37,527,700,000	4,500,000					3,776,119,960	
140. Reserves	(*)	73,893,288,618	983,302,607	1,671,000	5,266,581,075	952,796,3177	450,003,169	23,883	501,713,578	1,853,933,485	3,558,400
150. Revaluation reserves	(*)	9,329,783,615							13,724,334,785		
160. Retained earnings (accumulated losses)	(*)	(29,425,380,748)	4,033,226,752	1,343,000	113,176,088	(1,293,065,287)	1,031,725,987	418,895,462	1,758,652,368	2,475,671,269	
170. Net income (loss) for the year	(*)										
Total liabilities and shareholders' equity	1,208,304,727,717	1,472,664,343,416	1,898,153,238,018	1,154,811,000	8,473,335,180	20,480,061,599	1,152,387,921,316	2,797,071,121	1,566,248,670,696	982,530,592,600	1,197,486,989
GUARANTEES AND COMMITMENTS											
10. Guarantees given	23,773,268,556	48,512,418,477	97,537,647,461	23,108,000							89,500,902
20. Commitments	2,700,799,000	296,005,727,648	76,384,842,343		263,147,401,398		721,492,760,134	1,029,106,716	91,239,153,816	16,960,455,009	87,453,000
TOTAL GUARANTEES AND COMMITMENTS	26,464,068,556	344,518,146,125	173,902,489,804	23,108,000	263,147,401,398		721,492,760,134	1,029,106,716	91,239,153,816	16,960,455,009	176,953,902
SHAREHOLDERS' EQUITY (*)											
(Liability captions: 120-130-140-150-160-170. net of dividends)	95,088,252,213	115,515,060,260	103,507,634,284	42,086,000	6,279,757,163	14,659,791,030	30,810,128,715	2,080,508,027	54,984,700,731	19,105,724,714	34,711,045

STATEMENT OF CHANGES IN CAPITAL AND RESERVES for the years ended 31 December 1993 and 1994

(Italian Lire)

	Share capital, represented by shares of par value Lire 500 each					Share premium reserve	Reserves					Revaluation reserves	Retained earnings	Net income for the year	TOTAL
	ordinary		savings		TOTAL		Legal reserve	Reserve for the purchase of own shares	Statutory reserves	Other reserves					
	number	amount	number	amount											
Amounts as at 31.12.92	1,310,000,000	655,000,000,000	290,000,000	145,000,000,000	800,000,000,000	477,500,000,000	320,000,000,000	437,391,820	1,579,062,608,180	688,571,344,513	502,737,199,774	311,820,111	208,280,220,212	4,576,900,594,610	
Movements in 1993															
Allocation of net income authorised at the Annual General Meeting of 26 April 1993:															
— reserves															
— dividends:															
17% of the par value of 655 million ordinary shares (Lire 85 per share)													- 83,000,000,000	-	
20% of the par value of 145 million savings shares (Lire 100 per share)													- 111,350,000,000	- 111,350,000,000	
— retained earnings													- 29,000,000,000	- 29,000,000,000	
Reclassification to statutory reserves of the reserve for the purchase of own shares, no longer required								- 437,391,820	+ 437,391,820				+ 69,779,788	-	
Net income for the year														-	
Amounts as at 31.12.93	1,310,000,000	655,000,000,000	290,000,000	145,000,000,000	800,000,000,000	477,500,000,000	320,000,000,000	-	1,647,600,000,000	688,571,344,513	502,737,199,774	242,040,323	218,550,595,454	4,655,101,180,064	
Movements in 1994															
Conversion of savings shares into ordi- nary shares (on a one-for-one basis, together with payment of Lire 160 per share converted), as authorised at the extraordinary meeting held on 20 November 1993. This option was exer- cised by the expiry date, 11 February 1994, in relation to 268,293,448 shares	+ 268,293,448	+ 131,146,724,000	- 268,293,448	- 134,146,724,000	-	+ 42,926,951,680								+ 42,926,951,680	
With the related collection of ...	1,578,293,448	789,146,724,000	21,706,552	10,853,276,000	800,000,000,000										
Allocation of net income authorised at the Annual General Meeting of 16 April 1994:															
- reserves															
- dividends:															
17% of the par value of 789.1 million ordinary shares (Lire 85 per share)													- 82,000,000,000	-	
20% of the par value of 10.9 million savings shares (Lire 100 per share)													- 134,154,943,080	- 134,154,943,080	
— retained earnings													- 2,170,655,200	- 134,154,943,080	
Reclassification from the legal reserve to the statutory reserves, authorised at the shareholders' meeting held on 16 April 1994, following the abrogation of Royal Decree 1511/1926							- 160,000,000,000		+ 160,000,000,000				+ 224,897,174	-	
Capital increase authorised by the Board of Directors on 28 September 1994, under a mandate granted at the extraordinary meeting held on 29 July 1994 (1 new ordinary share for every 5 existing ordinary and savings shares, together with a premium of Lire 1,000 per share)	+ 640,000,000	+ 320,000,000,000			+ 320,000,000,000	+ 640,000,000,000								+ 960,000,000,000	
Net income for the year														+ 91,254,079,357	+ 91,254,079,357
Amounts as at 31.12.94	2,218,293,448	1,109,146,724,000	21,706,552	10,853,276,000	1,120,000,000,000	1,160,426,951,680	160,000,000,000	-	1,893,500,000,000	688,571,344,513	502,737,199,774	467,037,497	91,254,079,357	5,612,956,612,821	

Analysis of caption 10 "Cash and deposits with central banks and post offices"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Notes and coins	201,572	63,937	265,509
Accounts with the Treasury, Cassa Depositi e Prestiti, postal savings banks and the Italian Exchange Office	1,329	—	1,329
Deposits with the Bank of Italy and other central banks	—	2,420	2,420
Total	202,901	66,357	269,258

Analysis of caption 30 "Due from banks"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
a) on demand			
Deposits	87,500	692,427	779,927
Loans granted	—	1,404	1,404
Current accounts for services	334,724	213,794	548,518
	422,224	907,625	1,329,849
b) term deposits or with notice period			
Due from central banks	3,554,316	22,633	3,576,949
Repurchase agreements	889,097	538,494	1,427,591
Deposits	11,817,483	23,361,660	35,179,143
Loans granted	254,210	1,352,129	1,606,339
Non-performing loans	—	—	—
Other transactions	—	73,341	73,341
	16,516,106	25,348,257	41,863,363
Total	16,937,330	26,255,882	43,193,212
of which:			
- residents	8,433,158	6,135,078	14,568,236
- non-residents	8,504,172	20,120,804	28,624,976

Analysis of caption 40 "Loans to customers"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Portfolio risk	454,824	46,725	501,549
Repurchase agreements	1,753,618	31,842	1,785,460
Current accounts	10,526,310	5,048,547	15,574,857
Secured mortgages	2,838,364	—	2,838,364
Other loans	2,584,213	2,486,551	5,070,764
Other non-overdraft lending	7,659,943	3,515,230	11,175,173
Non-performing loans	1,179,514	9,349	1,188,863
Other transactions	160,927	8,187	169,114
Total	27,157,713	11,146,431	38,304,144
of which:			
- residents	25,505,395	6,636,732	32,142,127
- non-residents	1,652,318	4,509,699	6,162,017

At year-end, the number of loan accounts open with customers of Italian branches is as follows:

Number of accounts	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
- residents	584,147	27,009	611,156
- non-residents	1,535	815	2,350
Total	585,682	27,824	613,506

Degree of risk inherent in the loan portfolio

Cash lending by the Bank, as analysed in the preceding tables, is stated at its estimated realisable value and the related writedowns are classified as a direct adjustment of the asset accounts concerned.

	millions of Italian Lire		
	Amounts as at 31.12.94		Net book value
	Nominal value of cash lending	Total adjustments	
Loans to customers			
- Non-performing loans	2,132,473	943,610	1,188,863
inc. default interest	424,646	424,646	—
- Loans to nations at risk	84,698	24,203	60,495
- Loans to large groups that have been or may be restructured	1,169,699	447,457	722,242
- Other loans	36,332,544	—	36,332,544
	39,719,414	1,415,270	38,304,144
Due from banks			
- Non-performing loans	1,298	1,298	—
- Loans to nations at risk	148,019	50,713	97,306
- Other loans	43,095,906	—	43,095,906
	43,245,223	52,011	43,193,212
Total	82,964,637	1,467,281	81,497,356

Forecast losses in relation to guarantees and commitments are covered by the related provision of Lire 30,000 million.

Potential lending risks, which cannot be assessed objectively, are covered by provisions to caption 90 "Reserve for possible loan losses" (Lire 100,000 million).

For completeness, the following table analyses the movements in the adjustments (forecast losses) during the year, together with the provisions to caption 80c) "Provisions for risks and charges (provisions for guarantees and commitments)" and caption 90 "Reserve for possible loan losses", distinguishing between the amounts which are tax deductible (Lire 1,401,078 million) and those which are not (Lire 196,203 million). As mentioned, the taxed provisions partly cover the "inherent risk" of collection losses.

millions of Italian Lire

	Total adjustments				Caption 80c) "Provisions for risks and charges (provisions for guarantees and commitments)"			Caption 90 "Reserve for possible loan losses"		
	principal		default interest		deductible	taxed	total	deductible	taxed	total
	deductible	taxed	deductible	total						
Balance as at 31.12.93	865,044	—	324,780	1,189,824	—	24,252	24,252	133,270	264,203	397,473
Movements in 1994:										
Losses written off	- 200,299	—	- 39,871	- 240,170	—	—	—	—	—	—
Adjustments:										
- charged to the statement of income	+ 291,520	—	—	+ 291,520	—	+ 5,748	+ 5,748	—	—	—
- covered by the release of reserves (with corresponding transfer from "taxed" to "deductible")	+ 131,270	+ 166,203	—	+ 297,473	—	—	—	- 33,270	- 264,203	- 297,473
- deducted directly from loans	—	—	+ 147,450	+ 147,450	—	—	—	—	—	—
	+ 422,790	+ 166,203	+ 147,450	+ 736,443	—	+ 5,748	+ 5,748	- 33,270	- 264,203	- 297,473
Writebacks credited to the statement of income	- 211,103	—	—	- 211,103	—	—	—	—	—	—
Out-of-period income	—	—	- 7,713	- 7,713	—	—	—	—	—	—
	- 211,103	—	- 7,713	- 218,816	—	—	—	—	—	—
Balance as at 31.12.94	876,432	166,203	424,646	1,467,281	—	30,000	30,000	100,000	—	100,000
				+ 196,203						

Section 2 - Securities

2.1 Investment securities

		millions of Italian Lire	
		Book value	Market value(*)
1	Debt securities	4,664,488	4,429,766
1.1	Government securities	2,146,820	2,167,620
	- listed	1,718,467	1,739,622
	- unlisted	428,353	427,998
1.2	Other securities	2,517,668	2,262,146
	- listed	1,353,607	1,257,331
	- unlisted	1,164,061	1,004,815
2	Other forms of capital	—	—
	- listed	—	—
	- unlisted	—	—
Total		4,664,488	4,429,766

(*) Defined in Part A) Section 1, "Explanation of the accounting policies adopted".

In terms of the difference between investment and dealing securities:

- investment securities mainly comprise medium and long-dated stock, including securities with a limited market, those deriving from the consolidation of bank debt and those arising from the restructuring of foreign loans, as well as remainders following market placements (non-government securities).

Investment securities include the securities held by foreign branches since, in addition to their treatment under local regulations and practices, these holdings are considered to represent the stable investment of funds.

- dealing securities are those held for trading and treasury management purposes.

The unrealised gains/losses arising with respect to the redemption value of fixed-income investment securities are analysed by category below:

millions of Italian Lire			
	Book value	Redemption value(*)	Gain/loss
Treasury Bills (BOT)	91,800	100,000	+ 8,200
Long-term Treasury Bills (BTP)	1,162,305	1,160,318	- 1,987
Treasury Certificates (CCT)	886,354	914,751	+ 28,397
Other bonds	2,524,029	2,579,860	+ 55,831
Total	4,664,488	4,754,929	+ 90,441

(*) Nominal value of the securities

2.2 Changes in investment securities

millions of Italian Lire			
	Branches in		Total
	Italy	Abroad	
A. Balance at beginning of year	3,178,178	2,463,261	5,641,439
B. Increases	655,450	1,735,672	2,391,122
B.1 Purchases	217,745	1,682,898	1,900,643
B.2 Writebacks	68,377	—	68,377
B.3 Transfers from dealing portfolio	309,182	—	309,182
B.4 Other changes	60,146	52,774	112,920
C. Decreases	1,815,895	1,552,178	3,368,073
C.1 Sales	1,720,916	190,171	1,911,087
C.2 Redemptions	62,123	1,318,964	1,381,087
C.3 Adjustments	25,711	—	25,711
including: permanent writedowns	25,711	—	25,711
C.4 Transfers to dealing portfolio	1	—	1
C.5 Other changes	7,144	43,043	50,187
D. Balance at end of year	2,017,733	2,646,755	4,664,488

*"Other changes" include disposal gains of Lire 50.6 billion and premiums/discounts of Lire 12.6 billion.

2.3 Dealing securities

millions of Italian Lire		
	Amounts as at 31.12.94	
	Book value (1)	Market value(*)
1 Debt securities	14,900,860	14,900,882
1.1 Government securities	13,918,055	13,918,055
- listed	12,315,671	12,315,671
- unlisted	1,602,384	1,602,384
1.2 Other securities	982,805	982,287
- listed	767,700	767,700
- unlisted	215,105	215,127
2 Other forms of capital	175,063	150,382
- listed	103,685	78,826
- unlisted	71,378	71,556
Total	15,075,923	15,051,264

(1) The shares in Ferruzzi Finanziaria are stated at cost since they will be transferred to caption 70 "Equity investments", which includes a prudent general provision for unrealised losses.

(*) Defined in Part A) Section 1, "Explanation of the accounting policies adopted".

2.4 Changes in dealing securities

millions of Italian Lire		
A. Balance at beginning of year		12,293,485
B. Increases		227,864,152
B.1 Purchases		227,859,370
- Debt securities	224,808,260	
Government securities	201,508,643	
other securities	23,299,617	
- Other forms of capital	3,051,110	
B.2 Writebacks and revaluations		4,781
B.3 Transfers from investment portfolio		1
B.4 Other changes		—
C. Decreases		225,081,714
C.1 Sales and redemptions		224,242,789
- Debt securities	221,060,151	
Government securities	192,568,473	
other securities	28,491,678	
- Other forms of capital	3,182,638	
C.2 Adjustments and writedowns		269,555
C.3 Transfers to investment portfolio		309,182
C.4 Other changes		260,188
D. Balance at end of year		15,075,923

Section 3 - Equity investments

3.1 Significant investments

millions of Italian Lire				
Name	Stockholders' equity (a) as at 31.12.94	Net income/loss for 1994	%held	Book value
A. Subsidiary companies				
1) Banca Cattolica S.p.A., Molfetta	95,088	- 3,424	(b) 35,00	51,600
2) Banca Creditwest e dei Comuni Vesuviani S.p.A., Milan	115,515	- 29,425	68,04	131,282
3) Banca Popolare di Spoleto S.p.A., Spoleto	103,508	4,033	(b) 28,90	49,540
4) Banque Transatlantique de Monaco S.A. (now Banque Monegasque de Gestion), Montecarlo	12,757	407	100,00	17,260
5) Credito Italiano Bank A.G., Frankfurt	36,368	—	100,00	24,786
6) Credito Italiano Finance Corporation Limited, Nassau	72,908	28,898	100,00	29,034
7) Cordusio Società Fiduciaria per Azioni, Milan	6,280	113	100,00	9,347
8) Creditcon S.p.A., Pisa	19,106	2,476	100,00	30,715
9) Credit Consult Società per azioni di Intermediazione Mobiliare S.p.A., Milan	14,660	- 1,293	70,00	10,262
10) Credit Factoring International Società per il Factoring Internazionale S.p.A., Milan	30,810	1,032	100,00	30,420
11) Credit Fiduciaria S.p.A., Milan	2,091	419	100,00	2,044
12) Credit Leasing Società per il Leasing Finanziario S.p.A., Milan	54,985	1,759	100,00	41,305
13) Credito Italiano Delaware Inc., Wilmington	83	15	100,00	31
14) Credito Italiano International Limited, London	39,343	3,350	100,00	27,080
15) Credito Italiano Nominees Limited, London	• •	—	(c) 50,00	• •
16) Gesticredit S.p.A., Milan	39,585	10,195	100,00	31,469
17) SIMCREDIT Società per azioni di Intermediazione Mobiliare, Milan	34,471	12,858	73,10	15,082
18) Broker Credit Gestione Polizze di Assicurazione S.p.A., Milan	1,979	5,555	70,00	910

millions of Italian Lire				
Name	Stockholders' equity (a) as at 31.12.94	Net income/loss for 1994	%held	Book value
B. Companies subject to considerable influence				
1) Credito Fondiario e Industriale - FONSPA S.p.A. Rome	705,087	13,420	(d) 26,30	205,666
2) Bonifiche Siele Finanziaria S.p.A., Rome	(e) 366,209	5,091	(f) 20,11	130,137
3) Commercial Union Assurance Holding S.p.A., Milan	(g) 4,856	- 56	30,00	1,504
4) Commercial Union Life Holding S.p.A., Milan	(g) 9,121	- 1,879	30,00	3,300
5) Commercial Union Vita S.p.A., Milan	(g) 35,996	- 4,004	30,00	11,201
6) Data Management S.p.A., Milan	18,971	1,316	39,00	5,018
7) Italciano Universal Giunti S.p.A., Pero (Milan)	(e) 10,456	- 327	20,00	2,155
8) La Compagnie Fiduciaire S.p.A., in liquidation, Milan	(e) 122	- 2,291	30,00	••
9) Locat Locazione Attrezzature S.p.A., Turin	(e) 86,948	1,024	22,82	24,763
10) Packintec S.r.l., Milan	94	- 1	21,55	22
11) Sci Gardino S.r.l., Genoa	(e) 12,237	- 889	20,00	2,447
12) Serfinim S.p.A., Rome	1,004	- 36	33,33	350

(a) As at 31.12.94, after allocation of net income

(b) Dominant influence

(c) More than 50% held via a trust company

(d) Joint control

(e) As at 31.12.93

(f) Relating to ordinary shares (14.82% of total share capital)

(g) Data as at 31.12.94 used for consolidation purposes.

Key financial and operating information relating to these investments is attached, together with an analysis of their stockholders' equity.

The performance of the principal equity investments is described in the report to the consolidated financial statements of the Credito Italiano Group.

3.2 Amounts due to and from Group companies

		millions of Italian Lire
		Amounts as at 31.12.94
a) Amounts due from Group companies		
1. due from banks		399,968
<i>of which: subordinated</i>		73,341
2. due from financial institutions		1,345,971
<i>of which: subordinated</i>		—
3. loans to other customers		—
<i>of which: subordinated</i>		—
4. bonds and other debt securities		43,371
<i>of which: subordinated</i>		—
Total		1,789,310
b) Amounts due to Group companies		
1. due to banks		27,283
2. due to financial institutions		1,150,673
3. due to other customers		15,405
4. securities issued		1,265
5. subordinated liabilities		—
Total		1,194,626
c) Guarantees and commitments		
1. Guarantees given		64,791
2. Commitments		163,104
Total		227,895

The amounts due to and from Group companies are detailed in an attachment.
Transactions with Group companies generated revenues of Lire 87.1 billion and incurred costs of Lire 43.2 billion.

3.3 Amounts due to and from affiliated companies (not Group companies)

		millions of Italian Lire
		Amounts as at 31.12.94
a) Amounts due from affiliated companies		
1. due from banks (*)		4,244,882
<i>of which: subordinated</i>		—
2. due from financial institutions		471,624
<i>of which: subordinated</i>		—
3. loans to other customers		558,443
<i>of which: subordinated</i>		—
4. bonds and other debt securities		494,215
<i>of which: subordinated</i>		26,300
Total		5,769,164
b) Amounts due to affiliated companies		
1. due to banks (*)		5,431,771
2. due to financial institutions		56,571
3. due to other customers		7,209
4. securities issued		25,000
5. subordinated liabilities		—
Total		5,520,551
c) Guarantees and commitments		
1. Guarantees given		126,573
2. Commitments		83,090
Total		209,663
(*) including the Bank of Italy		

The assets, liabilities, guarantees and commitments of individual companies are detailed in an attachment.

3.4 Analysis of caption 70 "Equity investments"

millions of Italian Lire		
Amounts as at 31.12.94		
a) banks		838,277
1. listed	831,179	
2. unlisted	7,098	
b) financial institutions		240,795
1. listed	191,051	
2. unlisted	49,744	
c) other		378,969
1. listed	314,483	
2. unlisted	64,486	
Total		1,458,041

These investments are detailed in an attachment.

3.5 Analysis of caption 80 "Investments in Group companies"

millions of Italian Lire		
Amounts as at 31.12.94		
a) banks		303,502
1. listed	131,282	
2. unlisted	172,220	
b) financial institutions		197,755
1. listed	—	
2. unlisted	197,755	
c) other		910
1. listed	—	
2. unlisted	910	
Total		502,167

These investments are detailed in an attachment.

3.6 Changes in equity investments

3.6.1 Investments in Group companies

	millions of Italian Lire
A. Balance at beginning of year	1,553,643
B. Increases	420,607
B.1 Purchases	419,317
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	1,290
C. Decreases	1,472,083
C.1 Sales	1,444,515
C.2 Adjustments	27,568
including: permanent writedowns	57,568
C.3 Other changes	—
D. Balance at end of year	502,167
E. Total revaluations	—
F. Total adjustments	27,568

Changes relating to individual companies are detailed in an attachment.

3.6.2 Other investments

	millions of Italian Lire
A. Balance at beginning of year	26,492
B. Increases	1,565,610
B.1 Purchases	1,564,354
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	1,256
C. Decreases	134,061
C.1 Sales	6,786
C.2 Adjustments	126,458
including: permanent writedowns	126,458
C.3 Other changes	817
D. Balance at end of year	1,458,041
E. Total revaluations	—
F. Total adjustments	131,352

Changes relating to individual companies are detailed in an attachment.

Section 4 - Tangible and intangible fixed assets

4.1 Changes in tangible fixed assets

		millions of Italian Lire
A.	Balance at beginning of year	1,219,974
B.	Increases	150,726
B.1	Purchases	144,080
B.2	Writebacks	—
B.3	Revaluations	—
B.4	Other changes	6,646
C.	Decreases	225,511
C.1	Disposals	5,647
C.2	Adjustments:	147,788
	a) depreciation	147,788
	b) permanent writedowns	—
C.3	Other changes	72,076
D.	Balance at end of year	1,145,189
E.	Total revaluations	746,323
F.	Total adjustments	891,895
	a) accumulated depreciation	891,895
	b) permanent writedowns	—

The changes are summarised by asset category below:

					millions of Italian Lire
	PROPERTY	OPERATING ASSETS	INSTALLATIONS	TOTAL	
A.	Balance at beginning of year	1,028,886	33,569	157,519	1,219,974
B.	Increases	45,420	6,777	98,529	150,726
B.1	Purchases	43,882	6,520	93,678	144,080
B.2	Writebacks	—	—	—	—
B.3	Revaluations	—	—	—	—
B.4	Other changes	1,538	257	4,851	6,646
C.	Decreases	41,297	26,958	157,256	225,511
C.1	Disposals	—	315	5,332	5,647
C.2	Adjustments	37,228	6,774	103,786	147,788
	a) depreciation	37,228	6,774	103,786	147,788
	b) permanent writedowns	—	—	—	—
C.3	Other changes	4,069	19,869	48,138	72,076
D.	Balance at end of year	1,033,009	13,388	98,792	1,145,189
E.	Total revaluations	746,323	—	—	746,323
F.	Total adjustments	282,840	89,376	519,679	891,895
	a) accumulated depreciation	282,840	89,376	519,679	891,895
	b) permanent writedowns	—	—	—	—

With regard to Property:

- property is listed in an attachment which also indicates the revaluations recorded in accordance with related legislation;
- the net book value of property is lower than its current value (market value is estimated at around Lire 3,100 billion).

4.2 Changes in intangible fixed assets

millions of Italian Lire

A. Balance at beginning of year	116,391
B. Increases	98,049
B.1 Purchases	96,738
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	1,311
C. Decreases	69,368
C.1 Disposals	—
C.2 Adjustments:	66,015
a) amortisation	66,015
b) permanent writedowns	—
C.3 Other changes	3,353
D. Balance at end of year	145,072
E. Total revaluations	—
F. Total adjustments	162,157
a) accumulated amortisation	162,157
b) permanent writedowns	—

Intangible fixed assets comprise:

millions of Italian Lire

Amounts as at 31.12.94

Intangible assets	43,507
Goodwill (1)	10,380
Capital increase expenses	31,509
Other deferred charges	59,676
Total	145,072

(1) "Goodwill" reflects the difference arising on the merger of Banca Mediterranea di Credito and the goodwill paid to acquire the assets and liabilities of both Banca Agricola Nord Calabria and Cassa Rurale ed Artigiana Popolare di Palma di Montechiaro.

Section 5 - Other assets

5.1 Analysis of caption 130 "Other assets"

	millions of Italian Lire
	Amounts as at 31.12.94
Cash and cash equivalents:	
- cheques drawn on third parties to be cleared	402,000
- cheques drawn on the Bank being cleared	75,912
- bankers' drafts and similar paper	51,691
- interest coupons, sight securities, prepaid stamp duty etc.	27,386
	556,989
Interest and charges for the account of:	
- customers	153,312
- banks	12,009
	165,321
Guarantee deposits:	
- on own account	49,082
- on behalf of third parties	85
	49,167
Items in transit between branches	427,057
Items being processed	229,609
Items of a fiscal nature:	
- advance payments to the tax authorities	225,391
- tax credits	572,958
- other	297,208
	1,095,557
items arising from the valuation of off-balance sheet transactions (forward exchange transactions and derivatives):	
- customers	174,939
- banks	1,411,485
	1,586,424
Items which cannot be classified elsewhere:	
- securities and coupons to be settled	37,443
- other transactions	559,224
	596,667
Other items:	
- items relating to mistakes and claims to be clarified	27,491
- other	207,544
	235,035
Total	4,941,826

5.2 Analysis of caption 140 "Accrued income and prepaid expenses"

	millions of Italian Lire
	Amounts as at 31.12.94
ACCRUED INCOME	
interest on portfolio securities	616,969
interest on amounts due from banks	584,904
interest on amounts due from customers	232,960
other	34,628
Total accrued income	1,433,461
PREPAID EXPENSES	
advance rentals	5,186
derivative contracts	271,125
other	13,180
Total prepaid expenses	289,491
Total accrued income and prepaid expenses	1,722,952

Accruals and deferrals are recorded in accordance with the matching principle and with art. 2424 bis of the Italian Civil Code.

5.3 Adjustments for accrued income and prepaid expenses

No adjustments have been made directly to asset and liability balances to reflect accruals or prepayments.

5.4 Analysis of subordinated assets

	millions of Italian Lire
	Amounts as at 31.12.94
a) due from banks	73,341
b) loans to customers	1,028
c) bonds and other debt securities	126,300
Total	200,669

Section 6 - Payables

6.1 Analysis of caption 10 "Due to banks"

	millions of Italian Lire
	Amounts as at 31.12.94
a) repurchase agreements	4,602,351
b) loan of securities	—

6.2 Analysis of caption 20 "Due to customers"

	millions of Italian Lire
	Amounts as at 31.12.94
a) repurchase agreements	2,960,532
b) loan of securities	—

Further details about caption 10 "Due to banks"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
a) on demand			
Unrestricted deposits	833,085	970,815	1,803,900
Current accounts for services	908,479	35,872	944,351
Advances from the Bank of Italy and other amounts due to central banks	82,000	1,165,516	1,247,516
	1,823,564	2,172,203	3,995,767
b) term deposits or with notice period			
Restricted deposits	12,889,302	30,079,305	42,968,607
Repurchase agreements	4,568,470	33,881	4,602,351
of which: with the Bank of Italy	4,568,470	—	4,568,470
Other	—	13,107	13,107
	17,457,772	30,126,293	47,584,065
Total	19,281,336	32,298,496	51,579,832
of which:			
- residents	12,282,262	4,535,857	16,818,119
- non-residents	6,999,074	27,762,639	34,761,713

Further details about caption 20 "Due to customers"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
a) on demand:			
Savings deposits	4,638,933	—	4,638,933
Current accounts	18,010,807	802,032	18,812,839
	22,649,740	802,032	23,451,772
b) term deposits or with notice period:			
Savings deposits	30,156	—	30,156
Current accounts	1,305,711	4,460,020	5,765,731
Repurchase agreements	2,160,868	799,664	2,960,532
	3,496,735	5,259,684	8,756,419
Total	26,146,475	6,061,716	32,208,191
of which:			
- residents	25,172,264	1,421,774	26,594,038
- non-residents	974,211	4,639,942	5,614,153

At year-end, the number of deposit and current accounts open with customers of Italian branches is as follows:

Number of accounts	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Deposit accounts:			
- residents	626,464	—	626,464
- non-residents	1,080	—	1,080
	627,544	—	627,544
Current accounts:			
- residents	1,048,068	9,416	1,057,484
- non-residents	6,601	5,572	12,173
	1,054,669	14,988	1,069,657
Total	1,682,213	14,988	1,697,201

Analysis of caption 30 "Securities issued"

	Amounts as at 31.12.94			millions of Italian Lire
	Lire	Foreign currency	Total	
Bonds	—	—	—	
Certificates of deposit	8,549,051	3,711,205	12,260,256	
Other securities	537,105	45,331	582,436	
including:				
uncleared cheques	537,105	4,588	541,693	
Total	9,086,156	3,756,536	12,842,692	
of which:				
- residents	8,165,595	3,314	8,168,909	
- non-residents	920,561	3,753,222	4,673,783	

At year-end, the number of certificates of deposit issued to customers of Italian branches is as follows:

Number of certificates of deposit	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
- residents	176,108	—	176,108
- non-residents	2,410	—	2,410
Total	178,518	—	178,518

Analysis of caption 40 "Public funds administered"

	Amounts as at 31.12.94		millions of Italian Lire
received from the State			6,286
received from regional government and other agencies			340
Total			6,626

Section 7 - Provisions

7.1 Analysis of caption 90 "Reserves for possible loan losses"

	millions of Italian Lire
	Amounts as at 31.12.94
Reserves for possible loan losses	100,000

These reserves cover the general risk of loss inherent in lending activities. They reflect provisions recorded in prior years on a tax-deductible basis that are not required to adjust loans to their estimated realisable value.

7.2 Changes in the "Reserves for possible loan losses" (caption 90)

	millions of Italian Lire
A. Balance at beginning of year	397,473
B. Increases	—
B.1 Provisions	—
B.2 Other changes	—
C. Decreases	297,473
C.1 Utilizations (*)	297,473
C.2 Other changes	—
D. Balance at end of year	100,000

(*) Used to cover the writedown of the loan portfolio.

7.3 Analysis of caption 80 c) "Provisions for risks and charges: Other provisions"

	millions of Italian Lire
	Amounts as at 31.12.94
Provision for guarantees and commitments:	
- specific losses	20,392
- general "country" risks	7,231
- other general risks	2,377
	30,000
Other provisions for risks and charges:	
- expected charges arising from current legal disputes	69,400
- expected charges in relation to events to be clarified	10,000
- expected charges (interest) in relation to Sofinpar assessment	16,250
- provisions made by foreign branches in accordance with local requirements.	12,930
	108,580
Total	138,580

Analysis of caption 80 b) "Provisions for risks and charges: taxation"

	millions of Italian Lire
	Amounts as at 31.12.94
Income taxes for the year	40,000
Capital taxes	43,800
Sundry indirect taxes	4,106
Taxation of foreign branches	14,010
Prudent provision following an assessment relating to 1987 received from the Genoa tax inspectors in December 1993 (*)	65,000
Total	166,916

(*) Bank contingency should the tax losses of Sofinpar S.p.A., acquired from Finmeccanica S.p.A., be partially disallowed.

The following table analyses the advances paid in relation to the above amounts.

	millions of Italian Lire		
	Advances paid	Amounts to be paid	Total
Income taxes for the year	50,000	- 10,000	40,000
Capital taxes	—	43,800	43,800
Sundry indirect taxes	—	4,106	4,106
Taxation of foreign branches	2,429	11,581	14,010
Prudent provision following an assessment relating to 1987 received from the Genoa tax inspectors in December 1993 (*)	—	65,000	65,000
Total	52,429	114,487	166,916

(*) Bank contingency should the tax losses of Sofinpar S.p.A., acquired from Finmeccanica S.p.A., be partially disallowed. The fiscal years from 1989 are still open to inspection.

The provisions for risks and charges are adequate for their intended purpose.

Section 8 - Share capital, reserves, reserve for general banking risks and subordinated liabilities

Analysis of caption 120 "Share capital"

	millions of Italian Lire
	Amounts as at 31.12.94
2,218,293,448 ordinary shares, par value Lire 500 each	1,109,147
21,706,552 savings shares, par value Lire 500 each	10,853
Total	1,120,000

Share capital as of 31 December 1993 was represented by 1,310,000,000 ordinary shares and 290,000,000 savings shares, all with par value Lire 500 each. The following changes took place during the year:

- conversion, prior to the deadline on 11 February 1994, of 268,293,448 savings shares into ordinary shares on the payment of Lire 160 per share, as authorised at the extraordinary meeting held on 20 November 1993;
- subscription for 640,000,000 ordinary shares, par value Lire 500 each, in relation to the capital increase approved by the Board of Directors on 28 September 1994, acting on a mandate granted at the extraordinary meeting held on 29 July 1994.

As a result of the above transactions, share capital increased from Lire 800,000 million at the end of 1993 to Lire 1,120,000 million at the end of 1994, represented by 2,218,293,448 ordinary shares, par value Lire 500 each, and 21,706,552 savings shares, par value Lire 500 each.

Analysis of caption 130 "Share premium reserve"

	millions of Italian Lire
	Amounts as at 31.12.94
Share premium reserve	1,160,427
Total	1,160,427

The share premium reserve has increased by Lire 682,927 million, as follows:

- Lire 42,927 million on the conversion of savings shares into ordinary shares (as authorised at the extraordinary meeting held on 20 November 1993);
- Lire 640,000 million on subscription to the capital increase approved by the Board of Directors on 28 September 1994, acting on a mandate granted at the extraordinary meeting held on 29 July 1994.

Analysis of caption 140 "Reserves"

	millions of Italian Lire
	Amounts as at 31.12.94
Legal reserve	160,000
Reserve for the purchase of own shares	—
Statutory reserves	1,889,500
Other reserves	
These comprise:	
- taxed reserve, Law No. 823/73	46,964
- spin-off reserve, Law No. 218/90	626,557
- reserve for reinvested gains on disposal of equity investments, Law No. 169/83 Art. 1	15,050
	688,571
Total	2,738,071

Lire 160,000 million was transferred from the legal reserve to the statutory reserves during 1994. This was authorised at the shareholders' meeting held on 16 April 1994, following abrogation of Royal Decree 1511/1926, now that the legal reserve need only reflect the amount required pursuant to art. 2430 of the Italian Civil Code.

Analysis of caption 150 "Revaluation reserves"

	millions of Italian Lire
	Amounts as at 31.12.94
Monetary revaluation reserve, Law 72/83	26,094
Property revaluation reserve, Law 413/91	476,643
Total	502,737

Analysis of caption 110 "Subordinated liabilities"

a) Amount, currency, interest rate, maturity date and Italian Lira equivalent:

				millions of Italian Lire
Amount in	Currency original currency	Rate	Maturity	Book value as at 31.12.94
1) 100,000,000	LIBOR + 0.40% p.a.		08,08,2000	162,974
2) 150,000,000	min. LIBOR + 0.25% max. LIBOR + 0.50% p.a. until August 1995; then LIBOR + 0.625%		29,08,2000	244,461
3) 200,000,000	LIBOR - 1/8 (min. 6% max. 10%) Effective cost following swap LIBOR + 0.88% p.a.		22,06,2003	325,948
4) 250,000,000	LIBOR - 0.1875% (min. 5.3/4%, max. 10%) Effective cost following swap LIBOR + 0.91% p.a.		24,09,2003	407,435
5) 150,000,000	LIBOR - 0.25% (min. 7%, max. 10%) Effective cost following swap LIBOR + 0.78% p.a.		15,10,2003	173,994
6) 1,000,000,000	8.1/8 % Effective cost following swap LIBOR + 0.73% p.a.		09,06,2003	50,969
7) 1,000,000,000	8% Effective cost following swap LIBOR + 0.73% p.a.		01,07,2003	50,969
8) 560,000,000,000	8%		01,01,2000	560,000
Total caption 110				1,976,750

The exchange rates used for the translation to Italian Lire are set out in the report on operations.

b) Early repayment

The above loans may be repaid early, subject to approval from the Bank of Italy, should they become burdensome for tax reasons.

Furthermore, subject to approval from the Bank of Italy, the Bank may repay loan no. 1, in part or in full, on any coupon payment date after August 1995. Such election is also available in relation to loan no. 2.

Loan no. 8 is a "domestic" bond linked with the capital increase, as described in the

report on operations. After 18 months from the date of issue and subject to approval from the Bank of Italy, the Bank may opt for partial or total early repayment of this bond by giving at least one month's notice.

c) Conditions governing subordination

The rights of subordinated lenders would come after those of ordinary creditors upon liquidation.

All subordinated loans as at 31 December 1994 are included as part of "Capital and reserves for monitoring purposes" since they have already been authorised by the Bank of Italy.

Section 9 - Other liabilities

9.1 Analysis of caption 50 "Other liabilities"

	millions of Italian Lire
	Amounts as at 31.12.94
Interest to be credited to:	
- customers	178,069
- banks	40,582
	218,651
Various items of a fiscal nature	86,408
Items in transit between branches	751,807
Funds available to third parties	905,239
<i>of which: uncollected dividends</i>	777
Items being processed	154,145
Items arising from the valuation of off-balance sheet transactions (forward exchange transactions and derivatives)	
- customers	73,256
- banks	1,315,896
	1,389,152
Items relating to security transactions	94,626
Items that cannot be classified elsewhere:	
- provisions for payroll costs	292,888
- due to suppliers	61,879
- provisions for withholding taxes on interest and dividends	87,189
- other	404,752
	846,708
Adjustments in relation to the notes portfolio (*)	261,964
Other items	210,929
Total	4,919,629

(*) In relation to amounts collected on behalf of third parties, as described in Section 12.4.

9.2 Analysis of caption 60 "Accrued expenses and deferred income"

	millions of Italian Lire
	Amounts as at 31.12.94
ACCRUED EXPENSES	
interest on bank accounts	553,385
interest on customer accounts	329,107
other	64,708
Total	947,200
DEFERRED INCOME	
interest on discounted bills	40,671
derivative contracts	270,929
commissions and other transactions	22,466
Total	334,066
Total accrued expenses and deferred income	1,281,266

Accruals and deferrals are recorded in accordance with the matching principle and with the requirements of art. 2424bis of the Italian Civil Code.

9.3 Adjustments for accrued expenses and deferred income

No adjustments have been made directly to asset and liability balances to reflect accruals or deferrals.

Section 10 - Guarantees and commitments

10.1 Analysis of caption 10 "Guarantees given"

	millions of Italian Lire
	Amounts as at 31.12.94
a) commercial guarantees	15,254,891
b) financial guarantees	245,569
c) assets lodged as security	45,325
Total	15,545,785

10.2 Analysis of caption 20 "Commitments"

	millions of Italian Lire
	Amounts as at 31.12.94
a) commitments to advance funds, certain to be called on of which:	8,403,998
- <i>undrawn irrevocable lines of credit</i>	3,414,916
- <i>securities to be received in respect of transactions to be settled</i>	2,084,818
- <i>deposits and loans to be made available</i>	2,889,510
- <i>other commitments to advance funds</i>	14,754
b) commitments to advance funds, not certain to be called on of which:	334,216
- <i>commitment to the Interbank Guarantee Fund</i>	135,349
- <i>other commitments to advance funds</i>	198,867
Total	8,732,214

10.3 Assets pledged as security for liabilities (*)

	millions of Italian Lire	
	Amounts as at 31.12.94	
	Nominal value	Book value
Securities used to guarantee bank drafts	218,961	209,136
Securities used to guarantee third parties	47,208	45,885
Securities used to guarantee other services	56	54
Securities used to guarantee deferred payments and advances from the Bank of Italy	83,185	80,491
Securities used to guarantee Parent Bank transactions	3,072,197	3,098,122
Reserve commitments and guarantees of foreign branches	116,008	116,119
Total (*)	3,537,615	3,549,807

(*) excludes securities held in connection with repurchase agreements, with a total nominal value of Lire 4,935,667 million.

10.4 Margins available on credit facilities

	millions of Italian Lire
	Amounts as at 31.12.94
a) central banks	—
b) other banks	2,813,377
Total	2,813,377

10.5 Forward transactions

millions of Italian Lire

Type of transaction	Amounts as at 31.12.94		Other
	Hedging	Dealing	
1. Dealing	77,213,000	3,978,144	
1.1 securities		3,978,144	
- purchases		2,084,818	
- sales		1,893,326	
1.2 currency	77,213,000		
- foreign currency purchased with foreign currency	18,606,735		
- foreign currency purchased with Italian Lire	30,876,329		
- foreign currency sold for Italian Lire	27,729,936		
2. Deposits and loans			6,884,499
- to be paid			2,889,510
- to be received			3,994,989
3. Derivative contracts	18,695,147	51,007,809	
3.1 Involving exchange of capital		3,522,192	
a) securities		2,534,155	
- purchases		1,251,567	
- sales		1,282,588	
b) currencies		988,037	
- foreign currency purchased with foreign currency		412,014	
- foreign currency purchased with Italian Lire		294,174	
- foreign currency sold for Italian Lire		281,849	
c) other			
- purchases			
- sales			
3.2 Not involving exchange of capital	18,695,147	47,485,617	
a) currencies			
- foreign currency purchased with foreign currency			
- foreign currency purchased with Italian Lire			
- foreign currency sold for Italian Lire			
b) other assets	18,695,147	47,485,617	
- purchases	9,559,414	24,493,897	
- sales	9,135,733	22,991,720	
Total	95,908,147	54,985,953	6,884,499

Information as at 31.12.1993 is presented in an attachment.

Section 11 - Concentration and distribution of assets and liabilities

11.1 Significant exposure to risk

	Amounts as at 31.12.94
a) amount in millions of Italian Lire	15,550,202
b) number	4

The above balance reflects the total weighted exposure to positions considered to represent significant risks, as defined by the Bank of Italy.

The above balance comprises cash loans, off-balance sheet transactions and unutilised lines of credit (cash and guarantees).

The exposure in relation to cash loans amounts to Lire 5,906,357 million.

11.2 Distribution of loans to customers, analysed by type of borrower

	millions of Italian Lire
	Amounts as at 31.12.94
a) Governments	152,091
b) other State agencies	338,177
c) non-banking businesses	18,425,721
d) financial institutions	8,751,392
e) personal businesses	3,543,541
f) other operators	7,093,222
Total	38,304,144

11.3 Distribution of loans to domestic non-banking and personal businesses

	millions of Italian Lire
	Amounts as at 31.12.94
a) commerce, salvage and repair services	3,787,641
b) other sales-oriented services	2,186,562
c) construction and public works	1,729,392
d) other manufactured products	1,392,277
e) textiles, leather and footwear, clothing	1,088,455
f) other sectors (*)	9,012,461
Total	19,196,788

(*) including Lire 1,066,386 million relating to foreign branches.

11.4 Distribution of guarantees given, analysed by type of counterparty

	millions of Italian Lire
	Amounts as at 31.12.94
a) Governments	8,509
b) other State agencies	1,518
c) banks	901,960
d) non-banking businesses	12,198,213
e) financial institutions	2,104,469
f) personal businesses	112,511
g) other operators	218,605
Total	15,545,785

11.5 Geographical distribution of assets and liabilities

millions of Italian Lire				
Amounts as at 31.12.94				
	Italy	Other EU countries	Other countries	Total
1. Assets	64,103,295	22,548,574	14,585,898	101,237,767
1.1 Due from banks	14,568,236	19,045,872	9,579,104	43,193,212
1.2 Loans to customers	32,142,127	2,872,898	3,289,119	38,304,144
1.3 Securities	17,392,932	629,804	1,717,675	19,740,411
2. Liabilities	52,147,692	28,667,407	17,798,992	98,614,091
2.1 Due to banks	16,818,119	21,284,441	13,477,272	51,579,832
2.2 Due to customers	26,594,038	2,216,121	3,398,032	32,208,191
2.3 Securities issued	8,168,909	3,750,095	926,688	12,842,692
2.4 Other	566,626	1,416,750	—	1,983,376
3. Guarantees and commitments	16,376,299	2,586,211	5,321,489	24,283,999

A comparative analysis is presented as an attachment.

11.6 Analysis of assets and liabilities by maturity

millions of Italian Lire									
Amounts as at 31.12.94									
Caption/Duration	Fixed term							Unspecified	Total
	Amounts due on demand	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years		Over 5 years			
				Fixed rate	Index-linked rate	Fixed rate	Index-linked rate		
1. Assets									
1.1 Treasury certificates that can be refinanced	632	975,785	2,005,109	809,135	717,534	982,134	601,953	—	6,091,282
1.2 Due from banks	4,166,684	27,770,253	6,594,614	809,475	—	303,882	—	(a) 3,548,304	43,193,212
1.3 Loans to customers	2,951,425	21,867,412	5,369,743	3,516,635	1,373,508	786,283	1,232,219	(b) 1,206,919	38,304,144
1.4 Bonds and other debt securities	660	744,194	3,950,325	3,446,667	3,056,479	1,410,786	864,675	280	13,474,066
1.5 "Off-balance sheet" transactions	7,119,401	51,356,644	17,919,791	8,581,912	5,147,521	3,483,085	2,698,847	4,755,503	101,062,704
	681,702	25,694,412	34,289,322	10,276,671	—	2,747,140	—	—	73,689,247
Total Assets	7,801,103	77,051,056	52,209,113	18,858,583	5,147,521	6,230,225	2,698,847	4,755,503	174,751,951
2. Liabilities									
2.1 Due to banks	4,070,899	33,210,214	14,135,762	132,557	—	30,400	—	—	51,579,832
2.2 Due to customers	23,455,255	7,098,924	996,949	581,890	—	75,173	—	—	32,208,191
2.3 Securities issued - bonds	—	—	—	—	—	—	—	—	—
- certificates of deposit	143,846	7,001,935	3,812,328	1,302,147	—	—	—	—	12,260,256
- other securities	541,693	—	40,743	—	—	—	—	—	582,436
2.4 Subordinated liabilities	—	—	—	—	—	560,000	1,416,750	—	1,976,750
2.5 "Off-balance sheet" transactions	28,211,693	47,311,073	18,985,782	2,016,594	—	665,573	1,416,750	—	98,607,465
	614,542	28,257,859	33,243,075	9,622,418	—	2,865,340	—	—	74,603,234
Total Liabilities	28,826,235	75,568,932	52,228,857	11,639,012	—	3,530,913	1,416,750	—	173,210,699

(a) compulsory deposits with the Bank of Italy.

(b) includes uncollected notes and non-performing loans.

A comparative analysis is presented as an attachment.

11.7 Assets and liabilities denominated in foreign currency

millions of Italian Lire

Amounts as at 31.12.94

a) Assets	40,395,157
1. due from banks	26,255,882
2. loans to customers	11,146,431
3. securities	2,797,750
4. equity investments	128,737
5. other (cash)	66,357
b) Liabilities	43,533,498
1. due to banks	32,298,496
2. due to customers	6,061,716
3. securities issued	3,756,536
4. other	1,416,750

Section 12 - Administration and dealing on behalf of third parties

12.2 Asset management

	millions of Italian Lire
	Amounts as at 31.12.94
Securities administered for customers, at market value	2,764,259

The average monthly balance of assets under administration was Lire 2,717,087 million in 1994.

12.3 Custody and administration of securities

	millions of Italian Lire
	Amounts as at 31.12.94
a) Securities held on behalf of third parties	
1. held as collateral	182,159
2. held as security	4,683,070
3. held in safe custody	79,723,862
	84,589,091
b) Third party securities deposited with other third parties	82,956,988
c) Portfolio securities deposited with third parties	11,127,782
Total	178,673,861

12.4 Collection of receivables for third parties: adjustments

	millions of Italian Lire
	Amounts as at 31.12.94
a) debit adjustments	
1. current accounts	902,572
2. central notes portfolio	2,984,021
3. cash	1,335,764
4. other	1,625,030
	6,847,387
b) credit adjustments	
1. current accounts	581,040
2. presenters of notes and similar paper	6,526,296
3. other	—
	7,107,336
difference (a - b)	- 259,949

Notes:

- a) and b) 1 current accounts
Adjustment of current accounts to eliminate accounting balances that, due to the value dates concerned, cannot be drawn on at year-end.
- a) 2 central notes portfolio
Notes and similar paper not charged to account, excluding those with the cashier (see point 3)
- a) 3 cash
Notes, other securities (excluding cheques) and other documents belonging to third parties, with the cashier.
- a) 4 other
Notes, securities, coupons and other documents sent to third parties for collection, without charge to account
- b) 2 presenters of notes and documents
Presenters (customers or banks) of notes, other securities and documents for advances with recourse or for collection.

12.5 Other transactions

	millions of Italian Lire
	Amounts as at 31.12.94
Other assets held on behalf of third parties	
1. held as collateral	5
2. held as security	814,436
3. held in safe custody	6,326,145
Total	7,140,586

**PART C)
INFORMATION
REGARDING THE
STATEMENT OF
INCOME**

Section 1 - Interest

1.1 Analysis of caption 10 "Interest income and similar revenues"

	millions of Italian Lire
	1994
a) due from banks	2,188,923
<i>of which:</i>	
- deposits with central banks	244,669
b) loans to customers	3,591,121
c) debt securities	2,030,382
d) other interest income	23,301
e) positive differential on hedges	—
Total	7,833,727

1.2 Analysis of caption 20 "Interest expense and similar charges"

	millions of Italian Lire
	1994
a) due to banks	2,868,101
b) due to customers	1,439,205
c) securities issued	879,339
<i>of which:</i>	
- certificates of deposit	879,339
d) public funds administered	7
e) subordinated liabilities	89,629
f) negative differential on hedges	129,947
Total	5,406,228

1.3 Further details about caption 10 "Interest income and similar revenues"

	millions of Italian Lire
	1994
a) assets denominated in foreign currency	1,755,309
b) assets denominated in Italian Lire	6,078,418
Total	7,833,727

1.4 Further details about caption 20 "Interest expense and similar charges"

	millions of Italian Lire
	1994
a) liabilities denominated in foreign currency	1,864,543
b) liabilities denominated in Italian Lire	3,411,738
	5,276,281
c) negative differential on hedges	129,947
Total	5,406,228

Section 2 - Commission

2.1 Analysis of caption 40 "Commission income"

	millions of Italian Lire
	1994
a) guarantees given	80,906
b) collection and payment services	122,678
c) administration, dealing and consultancy services:	
1) security dealing	—
2) foreign currency dealing	85,777
3) asset management	15,871
4) custody and administration of securities	22,194
5) placement of securities	37,967
6) consultancy activities	27
7) "door-to-door" sales of investments, financial products and services	—
8) acceptance of instructions	50,286
	212,122
d) tax collection services	—
e) other services	310,549
Total	726,255

2.2 Analysis of caption 50 "Commission expense"

	millions of Italian Lire
	1994
a) collection and payment services	30,681
b) administration and dealing services:	
1) security dealing	—
2) foreign currency dealing	19,642
3) asset management	—
4) custody and administration of securities	4,903
5) placement of securities	—
6) "door-to-door" sales of investments, financial products and services	—
	24,545
c) other services	37,094
d) guarantees received	6,608
Total	98,928

Section 3 - Profits (losses) on financial transactions

3.1 Analysis of caption 60 "Profits (losses) on financial transactions"

1994

millions of Italian Lire

Caption/Transaction type	Security transactions	Foreign currency transactions	Other transactions
A.1 Revaluations	4,781	XXX	188,790
A.2 Writedowns	(269,958)	XXX	(406,956)
B. Other gains/losses	(237,574)	6,266	(41,312)
Total	(502,751)	6,266	10,522
1. Government securities	(468,027)		
2. Other debt securities	(40,776)		
3. Equity capital	51,595		
4. Derivatives involving securities	(45,543) (*)		

(*) including writedowns of Lire 403 million

A commentary on this information is presented in the report on operations.

Section 4 - Administrative costs

Analysis of caption 80 "Administrative costs"

	millions of Italian Lire
	1994
a) payroll costs:	
- wages and salaries	1,057,881
- social security charges	449,252
- provisions for employee termination indemnities	85,985
Total payroll costs	1,593,118
b) other administrative costs:	
- indirect taxes:	
- payments:	
stamp duty	80,417
income-related taxes	3,196
registration taxes	5,970
INVIM (property tax)	5
ICI (municipal property rates)	9,580
other local taxes	6,564
other taxes	2,647
	108,379
- provisions for risks and charges	
b) taxation	
stamp duties on bank drafts	806
capital taxes	43,800
	44,606
	152,985
- sundry expenses:	
consultancy	30,055
insurance	15,122
advertising	18,921
donations to charity	985
rental of machines	15,736
postal, telephone, telegraphic and telex charges	105,072
printing and stationery	20,900
office supplies	6,072
security costs	24,941
information and searches	9,791
sundry services	42,284
transport and custody of valuable items and documents	20,178
cleaning	27,989
maintenance and repair of operating assets	46,361
maintenance of premises	23,508
travel expenses	9,888
various rental charges	22,609
rental expense	76,204
electricity, gas, heating, reception and drinking water	31,239
other costs	19,815
	567,670
Total sundry expenses	720,655
Total	2,313,773

4.1 Average number of employees, analysed by category

	1994
a) managers	
b) officials	
c) other grades	
Total	

The above data were determined by averaging the number of employees at the start and at the end of the year.

Section 5 - Adjustments, writebacks and provisions

The applicable accounting policies are described in Part A) Section 1 "Explanation of the accounting policies adopted".

Analysis of caption 90 "Adjustments to intangible and tangible fixed assets"

	millions of Italian Lire
	1994
tangible fixed assets:	
- property	37,228
- operating assets	6,774
- installations	103,786
	147,788
intangible fixed assets	
- intangible assets	32,513
- capital increase expenses	4,522
- other deferred charges	7,877
	21,103
	66,015
Total	213,803

The depreciation of tangible fixed assets, Lire 90,060 million, was provided using the ordinary rates set out below.

In addition, accelerated depreciation of Lire 57,728 million, was provided at 150% of the ordinary rates on all tangible fixed assets excluding property.

In both cases, the depreciation rates indicated are halved in the year of addition.

Assets costing less than Lire 1,000,000 are depreciated in full in the year of addition.

Property	3.00%
Operating assets	
- furnishings and fittings	15.00%
- ordinary office furniture and machines	12.00%
- motor vehicles	25.00%
Installations	
- electronic plant and machines	20.00%
- alarms, security camera equipment, etc.	30.00%
- electronic telephone equipment	20.00%
- lifting equipment	7.50%
- other installations (security, air conditioning, heating and electrical systems, etc.)	15.00%

Analysis of caption 100 "Provisions for risks and charges"

	millions of Italian Lire
	1994
Provisions for risks and charges:	
- c) other:	
- other provisions for risks and charges	11,629
Total	11,629

The balance includes appropriate cover for legal disputes and events to be clarified, as well as the provisions recorded by foreign branches in accordance with local regulations.

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

	millions of Italian Lire
	1994
Adjustments to amounts due from:	
- banks	2,414
- customers	289,106
	291,520
Provisions for risks and charges:	
- c) other:	
- provisions for guarantees and commitments	5,748
	5,748
Total	297,268

These provisions write down loans to their estimated realisable value and cover the losses on guarantees and commitments.

Loan losses of Lire 297,473 million were covered during the year by drawing on the reserves for possible loan losses provided in prior years against inherent collection risks.

The total adjustments to loans in 1994 therefore amount to Lire 588,993 million, as analysed below (in millions of Italian Lire):

- non-performing loans - principal	242,786
- loans to countries at risk	5,925
- exposure to major groups that have been or which may be restructured	340,282
	<u>588,993</u>

Analysis of caption 130 "Writeback of loans and provisions for guarantees and commitments"

	millions of Italian Lire
	1994
- loans	211,103
- provisions for guarantees and commitments	—
Total	211,103

This amount relates to the recovery of loans written off in previous years, analysed as follows (in millions of Italian Lire):

- non-performing loans - principal	25,273
- loans to countries at risk	72,087
- exposure to major groups that have been or which may be restructured	113,743
	<u>211,103</u>

Analysis of caption 150 "Adjustment to financial fixed assets"

	millions of Italian Lire
	1994
- securities	25,711
- equity investments	154,025
Total	179,736

This balance reflects the writedown of unsecured securities received following the restructuring of foreign debt - classified among the investment securities - and of equity investments.

For further information regarding equity investments, see the detailed explanation of individual movements included in the attachments.

Analysis of caption 160 "Writeback of financial fixed assets"

	millions of Italian Lire
	1994
- securities	68,377
Total	68,377

This balance reflects the recovery of principal written down in 1993 on guaranteed securities received following the restructuring of foreign debt, since such securities are now stated at their future redemption value.

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

	millions of Italian Lire
	1994
a) adjustment to loans	291,520
<i>of which:</i>	
- <i>general writedowns for country risk</i>	5,925
- <i>other general writedowns</i>	—
b) provisions for guarantees and commitments	5,748
<i>of which:</i>	
- <i>general provisions for country risk</i>	876
- <i>other general provisions</i>	—
Total	297,268

Section 6 - Other statement of income captions

6.1 Analysis of caption 70 "Other operating income"

	millions of Italian Lire
	1994
Amounts charged to third parties:	
- recovery of taxes	34,369
- customers' insurance premiums	5,708
- deposits and current accounts	73,638
	113,715
Sundry revenues:	
- rental income	11,881
- recovery of cost of personnel on loan	6,454
- other	19,700
	38,035
Total	151,750

Sundry revenues - other, include Lire 13,071 million relating to the issue discounts accrued on securities held at the start of 1994. This reflects the change in the related accounting policy described earlier.

6.3 Analysis of caption 180 "Extraordinary income"

	millions of Italian Lire
	1994
Gains on disposal of:	
- property	—
- investment securities	(*) 58,002
- equity investments	3,176
- other assets	4,988
	66,166
Out-of-period income:	
- overaccruals in prior years	44,789
- liabilities written off	5,221
- refunds re costs incurred in previous years	6,811
- amounts recovered from assets previously written off	9,222
- sundry amounts recovered relating to previous years	12,118
- commissions on services provided in previous years	6,907
- other	13,282
	98,350
Total	164,516

(*) Essentially from the disposal of Treasury Certificates (CCT) at market prices.

6.4 Analysis of caption 190 "Extraordinary charges"

	millions of Italian Lire
	1994
Losses from disposal of:	
- property	—
- investment securities	7,385
- equity investments	2,095
- other assets	2,255
	11,735
Out-of-period expense:	
- adjustments to charges made in previous years	59,054
- transfer of dealing commission received	3,946
- sundry losses	24,099
- commissions on services received in previous years	7,532
- other	14,907
	109,538
Total	121,273

6.5 Analysis of caption 220 "Income taxes"

	millions of Italian Lire
	1994
IRPEG (Corporate Income Tax)	40,000
Local taxes incurred by foreign branches	4,016
Total	44,016

No provision has been made for Italian local income taxes (ILOR) given the level of income (from equity investments and mortgage loans) not subject to such taxation.

Section 7 - Other information regarding the statement of income

7.1 Geographical distribution of revenues

	millions of Italian Lire
	1994
Geographical distribution of revenues relating to captions 10, 30, 40, 60 and 70	
- ITALY	6,640,999
- other EU countries	1,297,694
- other countries	395,219
Total	8,333,912
N.B.: determined with reference to the location of the branches that earned such revenues.	

7.2 Information on the contribution to the National Guarantee Fund

Information as at 31 December 1994

millions of Italian Lire

Type of activity	Parameter used for the calculation	
	Revenues from activity (A)	Securities and cash deposited by customers (B)
Dealing in securities on behalf of third parties	Amount of commission received —	—
Placement and distribution of securities with or without prior subscription or commitments to purchase, or the underwriting of issues	Amount of commission received 37,967	—
Asset management via dealing in securities, with or without a trust agreement.	Amount of commission received 15,871	Average monthly level of assets under management (securities and cash deposited by customers under a management agreement with authorised intermediaries): 2,717,087
Acceptance of instructions to purchase or sell securities	Amount of commission received 50,286	—
Advice regarding securities	Amount of commission received 27	—
Encouraging the public to invest its savings, including promotional activities away from the registered or administrative offices of the issuer of securities, the party proposing the investment or the entity in charge of placing any such issue (Art. 18 (c) paragraph 3 of Decree No. 95/1974, converted with modifications into Law No. 216 of 1974, as subsequently modified and amended). Such activities may also involve the promotion or placement of security dealing services in accordance with Art. 15 paragraph 1 of the regulations approved by CONSOB resolution no. 5386 dated 2 July 1991.	Amount of commission received —	—
Dealing in securities on own account	Volume dealt during the year (securities purchased and sold in dealings with the public) analysed as follows: - shares 4,892,601 (*) - bonds 12,444,496 (*) - Government securities 114,819,229 (*)	—

N.B.:

— Contribution factor applying to parameter (A): 0.40%; or 0.20% in the case of activities involving the acceptance of orders.
— Contribution factor applying to parameter (B): 0.0010%.

(*) Amount to which - for the required calculation of notional commission - a coefficient (to be advised by the Bank of Italy by April) is to be applied.

**PART D)
OTHER
INFORMATION**

Section 1 - Directors and Statutory Auditors

1.1 Remuneration: the remuneration of the Directors and the Statutory Auditors is summarised below.

millions of Italian Lire	
a) directors	1,747
b) statutory auditors	196
Total	1,943

1.2 Loans granted and guarantees given: the loans granted and guarantees given in favour of Directors and Statutory Auditors are summarised below:

millions of Italian Lire	
a) directors	10,598
b) statutory auditors	—
Total	10,598

Deputy Chairman/Managing Director

Bruno

Chief Accountant

Arbuffo

APPENDICES

statement of changes in financial position
statement of changes in capital and reserves
schedule of balance sheet data and performance figures for significant equity investments
schedule of amounts due to and from Group companies
schedule of amounts due to and from other affiliated companies (not Group companies)
analysis of caption 70 "Equity investments"
analysis of caption 80 "Investments in Group companies"
schedule of changes in equity investments
schedule of forward transactions
geographical distribution of assets and liabilities
analysis of assets and liabilities by maturity
tax status of the reserves reported in the approved Financial Statements for 1993
schedule of property

Statement of changes in financial position

billions of Italian

	1994	
Funds generated and obtained		
<i>Funds generated from operations</i>		
Net income for the year	91.3	2
Adjustments (writebacks) to loans	80.4	4
Provisions for employee termination indemnities	(1) 85.8	8
Provisions for taxation	(1) 74.8	6
Provisions for risks and charges - other	(1) 7.4	3
Adjustments (writebacks) to intangible and tangible fixed assets	213.8	1
Adjustments (writebacks) to financial fixed assets	111.4	10
Total funds generated from operations	664.9	1,7
<i>Increase in capital and reserves:</i>		
- share capital	320.0	
- share premium reserve	682.9	
Total increase in capital and reserves	1,002.9	
<i>Other funds obtained:</i>		
Subordinated liabilities (obtained)	560.0	1,0
Subordinated liabilities (net translation differences)	- 62.1	5
Due to banks	- 2,922.4	3,6
Due to customers	605.8	9
Securities issued	72.2	- 2,0
Accrued expenses and deferred income	- 206.0	- 3
Other liabilities	- 184.8	2,0
Total changes in other funds obtained	- 2,137.3	5,3
Total funds generated and obtained	- 469.5	7,1
Funds used and employed		
Dividends paid	136.3	1
Release of provisions for taxation, employee termination indemnities, possible loan losses etc.	759.0	4
Cash and deposits with central banks	25.2	- 1
Due from banks	3,950.6	1,9
Loans to customers	- 6,658.4	- 4
Securities	1,762.8	2,6
Equity investments	534.2	1
Intangible and tangible fixed assets	167.7	2
Accrued income and prepaid expenses	- 130.3	0
Other assets	- 1,016.6	2,0
Total funds used and employed	- 469.5	7,1

(1) net of amounts released to the statement of income.

**SCHEDULE OF AMOUNTS DUE TO AND FROM GROUP
COMPANIES AS AT 31 DECEMBER 1994
(SEE POINT 3.2 OF THE ACCOMPANYING NOTES)**

Directly and indirectly controlled companies	Amounts due from companies	Amounts due to companies	Guarantees and commitments Guarantees given*	Com
1) Banks				
Banca Cattolica		1.693.125.227		
Banca Creditwest e dei Comuni Vesuviani	24.446.100.000	26.426.740		23
Banca Popolare di Spoleto	51.169.328.310	3.172.652.175	1.032.825.725	3.65
Banque Transatlantique de Monaco	8.087.705	684.665.150		
Credito Italiano Bank A.G.	273.185.586.222	485.796.540		
Credito Italiano Finance	51.159.122.220	485.796.540		
	399.968.224.457	27.282.887.524	1.032.825.725	25.73
of which: subordinated loan to Credito Italiano Bank AG	73.341.100.000			
	73.341.100.000			
2) Financial institutions				
Cordusio	6.000.656.523	157.010.450.241		1.65
Creditcon	97.331.041.736			
Credit Consult		3.698.168.031	42.450.000	
Credit Factoring International	642.091.647.630	703.238.131		
Credit Fiduciaria	431.473.282	18.212.280.443		2.93
Credit Leasing	308.566.291.182	4.000.000	53.513.017.797	
Credito Italiano Delaware		770.508.780.512		
Credito Italiano International	273.747.057.500	40.032.647.289		85.12
Credito Italiano Nominees		5.067		
Gesticredit	3.860.627	160.503.382.942		90
Simcredit	17.798.579.023		10.200.000.000	46.70
	1.345.970.607.503	1.150.672.952.656	63.755.467.797	137.30
3) Other customers				
Broker Credit		15.405.640.182	2.500.000	
		15.405.640.182	2.500.000	
4) Bonds and other debt securities				
Banca Popolare di Spoleto	3.370.860.000			
Credit Leasing	40.000.000.000			
	43.370.860.000			
5) Certificates of deposit issued				
Cordusio		1.265.000.000		
		1.265.000.000		
6) Subordinated liabilities				
Total	1.786.309.691.960	1.194.626.480.362	64.790.793.522	163.10

STATEMENT OF INCOME

	CREDITO ITALIANO DELAWARE INC.	CREDITO ITALIANO FINANCE CORP. LTD.	CREDITO ITALIANO INTERNATIONAL LTD.	GESTI CREDIT SPA	SINGREDIT SOCIETA PER AZ. DI INTERM. MOBILITARE	BONIFIDE S.R.L. FINANZIARIA SPA (C)	CREDITO FONDARIO E INDUSTRIALE FONDS SPA	LOCAL LOCAZIONE AFFREZZATURE SPA (C)	SEPRIMA SPA
	(US\$) *	(US\$) *	(£ stg)	(Ltr)	(Ltr)	(Ltr)	(Ltr)	(Ltr)	(Ltr)
10. Interest income and similar revenues	16,325,001	4,058,821	2,580,469	4,590,991,890	4,134,111,743	1,026,256,526	1,359,266,166,135	129,648,030,068	9,442,091
20. Interest expense and similar charges	16,325,001	1,523,940	130,306	179,071	198,786,141	2,747,655,417	1,048,435,677,661	284,609,199,691	
30. Dividends and other revenues		640,562	1,119,278		97,797,804	13,898,232,073	300,087,300		
40. Commission income	11,000	343,540	636,930	87,014,620,316	42,194,920,498	13,000,000	16,260,003,132	14,635,210	160,952
50. Commission expense		449		60,3387,550,811	286,045,220		11,420,395,107	6,289,199,128	
60. Profits (losses) on financial transactions		184,349		(213,307,045)	2,124,639,826	173,055,391	(6,717,061,858)	4,561,199,299	
70. Other operating income	194,582		175,860,000	7,118,7387,454	4,174,892,503	14,369,236,636	701,8633,962,384		
80. Administrative costs	193,213	161,487	2,089,833	6,547,425,986	26,418,457,085	6,530,7933,250	97,898,725,523	24,087,912,233	41,480,783
90. Adjustments to intangible and tangible fixed assets			94,131	630,247,619	1,041,022,732	1,025,036,831	7,6331,744,071	380,606,904,408	4,138,370
100. Provisions for risks and charges				250,000,000		181,197,856	2,400,000,000		
110. Other operating expenses	1,182	4,562,334		2,655,027,362				130,776,811,642	
120. Adjustments to loans and provisions for guarantees and commitments							167,608,811,311	10,488,346,006	
130. Writeback of loans and provisions for guarantees and commitments							10,8332,864,6933	1,842,878,804	
140. Provisions for possible loan losses		1,889,869				733,920,388	47,208,764,373		
150. Adjustments to financial fixed assets							728,829,737		
160. Writeback of financial fixed assets									
170. Income (loss) from operating activities	11,197	(2,900,807)	1,422,407	21,097,734,302	27,715,886,147	8,766,832,751	10,998,908,235	1,062,332,657	(36,338,014)
180. Extraordinary income	6,595	20,668,525	249,807	69,852,173	77,576,307	7,022,159,019	28,482,993,511	3,215,659,154	455
190. Extraordinary charges	8,427	36,112	42,661	139,417,597	80,821,765	94,752,088	162,153,545	2,582,710,647	
200. Extraordinary income (loss)	(1,832)	20,632,413	207,146	(69,565,424)	(3,245,458)	6,927,406,951	28,320,839,966	632,948,507	465
210. Change in reserve for general banking/financial risks						(4,736,000,000)			
220. Income taxes			307,041	10,8333,583,00	14,855,000,000	5,808,071,000	25,990,000,000	671,000,000	
260. Net income (loss) for the year	9,365	17,731,606	1,322,512	10,194,585,878	12,857,650,689	5,091,168,702	13,419,748,201	1,024,281,164	(36,337,559)

(a) Authorised by the Board of Directors on 15 March 1995 for submission to the shareholders at the meeting called for 2 May 1995
(b) Non-operating company put into liquidation on 17 January 1995. No income or expenses were recorded in 1994.
(c) Financial statements as at 31 December 1993.
(*) Italian Lire amounts obtained by using the year-end exchange rates.

STATEMENT OF INCOME

	BROKER CREDIT GESTIONE POLIZZE D'ASSICURAZIONE SPA	COMMERCIAL UNION ASSURANCE HOLDING SPA (c)	COMMERCIAL UNION LIFE HOLDING SPA (c)	CO-INSURANCE UNION VITA SPA (c)	DATA MANAGEMENT SPA	ITALGARDIAN UNIVERSAL GUANT SPA (c)	LA COMPAGNIE FIDUCIARIE SPA IN LIQUIDAZIONE (c)	PACKINTEC SRL	SCI GARDINO SRL (c)
A Value of production	(L.u.)	(L.u.)	(L.u.)	(L.u.)	(L.u.)	(L.u.)	(L.u.)	(L.u.)	(L.u.)
B Cost of production	26,608,047,994	60,206,381	79,674,247	11,207,868,991	60,181,580,794	38,054,132,794	757,127,197	6,805,123	15,027,209,125
Difference between value and cost of production	15,218,808,413	(50,206,381)	(79,674,247)	20,969,352,751	58,984,470,116	36,508,171,141	2,893,225,817	(6,805,123)	13,405,776,530
C Financial income (charges)	11,399,239,581	62,335,761	1,131,164	(9,761,483,760)	1,197,110,688	1,545,961,653	(2,136,098,820)	(6,805,123)	1,621,432,595
D Adjustments to financial assets	775,354,876	13,600,000	(2,949,845,721)	(7,344,699,843)	518,934,115	(1,975,175,115)	(5,292,151)	6,405,003	(2,510,652,592)
E Extraordinary income (charges)	(200,671,642)	159,201	106,720	(1,162,655,469)	(24,213,350)	102,292,502	(149,901,755)	(400,120)	(889,219,987)
Results before taxation	11,963,922,815	15,898,581	(3,028,082,084)	(18,788,829,072)	1,899,188,990	(326,920,980)	(2,291,292,526)	161,000	(899,219,987)
22 Income taxes for the year	6,409,233,000	3,655,000			372,816,000				
26 Net income (loss) for the year	5,554,689,815	12,233,581	(3,028,082,084)	(18,788,829,072)	1,316,372,990	(326,920,980)	(2,291,292,526)	(561,120)	(899,219,987)

(c) Financial statements as at 31 December 1993.

STATEMENT OF INCOME

	BANCA CATTOLICA SPA	BANCA CREDITVEST E DEI COMUNI VESUVIANI SPA	BANCA POPOLARE DI SPOLTO SPA	BANQUE TRANSALPINE DE MONACO SA	CORPUS SOCIETA' FIDUCIARIA PER ADCHI	CREDIT CONSULT SPA DI INTERMED. MOBILIARE	CREDIT FACTORING INTERNATIONAL SPA	CREDIT FIDUCIARIA SPA	CREDIT LEASING SOCIETA' PER LEASING FIN. SPA	CREDITOON SPA	CREDITO ITALIANO BANCA G
	(L.t.)	(L.t.)	(L.t.)	(F.F.)	(L.t.)	(L.t.)	(L.t.)	(L.t.)	(L.t.)	(L.t.)	(D.M.)
10. Interest income and similar revenues	20,020,528,993	147,542,693,089	182,421,722,820	76,599,000	691,249,612	1,112,047,999	95,006,959,879	172,155,959	6,632,633,903	64,282,810,903	76,991,235
20. Interest expense and similar charges	11,992,783,281	89,682,882,317	104,84,804,023	64,962,000		7,883,517	79,087,221,153				11,884
30. Dividends and other revenues		168,867,500									
40. Commission income	1,304,403,933	15,545,953,601	19,324,971,766	5,154,000	3,676,494,345	12,599,159,165	7,884,841,166	1,613,150,495	9,621,072,774	6,232,251,448	2,619,745
50. Commission expense	109,420,006	3,792,334,207	927,601,303	182,000	737,119,043	7,255,149,579	1,159,557,616	83,990,282	6,654,236,702	8,895,314,323	237,780
60. Profits (losses) on financial transactions	(2,182,840,239)	(14,677,487,836)	2,760,320,009	737,000	14,020,922)	(117,810,388)	1,601,966	49,593	617,900,617,366	4,545,188,401	1,077,854
70. Other operating income	649,386,555	986,435,724	4,000,636,285	583,000	967,907,384	67,284,449					
80. Administrative costs	7,318,636,520	57,190,275,487	79,989,281,661	9,878,000	3,870,708,437	6,866,562,428	11,306,035,852	334,481,284	17,859,718,261	7,875,86,203	15,505,231
90. Adjustments to intangible and tangible fixed assets	544,866,916	6,657,983,575	5,093,014,345	1,565,000	178,523,958	367,878,351	298,305,147	41,922,426	436,494,766,997	965,472,763	910,572
100. Provisions for risks and charges		661,113,473	949,285,316	850,000	3,231,900	516,781,203	630,000,000				158,209
110. Other operating expenses		543,704,665		373,000	24,588,951	50,055,197		637,761,615	27,599,869,557	6,116,648,377	
120. Adjustments to loans and provisions for guaranties and commitments	5,056,189,020	23,302,132,794	6,706,381,912	3,708,000		3,454,276	5,725,690,675	15,128,786,066	17,296,207,827		27,521,999
130. Writeback of loans and provisions for guaranties and commitments			1,436,152,891	1,172,000		18,699,633	204,924,588			1,500,000,000	213,656
140. Provisions for possible loan losses	262,574,000		16,422,074		10,728,747		19,800,000				236,204
150. Adjustments to financial fixed assets											107,721
160. Writeback of financial fixed assets	(5,422,980,510)	(32,463,994,430)	11,963,546,469	2,698,000	496,729,366	(1,388,433,694)	4,873,775,156	687,200,490	1,215,969,575	4,210,218,917	(25,500,000)
170. Income (loss) from operating activities	2,136,696,190	3,803,196,127	4,300,869,924	37,000	106,784,019	177,218,788	161,664,388	4,133,627	2,104,546,696	2,322,661,961	25,500,000
180. Extraordinary income	137,263,467	765,962,445	1,911,189,640	20,000	188,404,316	81,850,381	55,895,557	31,936,65	777,862,903	96,460,609	
190. Extraordinary charges	1,999,423,723	3,037,233,682	2,369,680,284	17,000	(81,640,297)	95,368,407	(3,000,000,000)				25,500,000
200. Extraordinary income (loss)		1,380,000	(1,000,000,000)	(700,000)							
210. Change in reserve for general banking/financial risks			9,320,000,000	672,000	301,913,000		948,000,000	240,502,000	784,201,000	1,960,749,000	
220. Income taxes	(3,423,547,787)	(29,425,380,748)	4,033,226,752	1,343,000	113,176,088	(1,293,065,287)	1,031,725,987	418,895,462	1,758,652,368	2,475,671,289	
260. Net income (loss) for the year											

(a) Authorised by the Board of Directors on 15 March 1995 for submission to the shareholders at the meeting called for 2 May 1995

(b) Non-operating company put into liquidation on 17 January 1995. No income or expenses were recorded in 1994.

(c) Financial statements as at 31 December 1993.

(*) Italian Lire amounts obtained by using the year-end exchange rates.

BALANCE SHEET

	CREDITO ITALIANO DELAWARE INC.	CREDITO ITALIANO FINANCE CORP. LTD.	CREDITO ITALIANO INTERNATIONAL LTD.	CREDITO ITALIANO NOMINEES (B)	GESTIO CREDIT SPA	SINCRONIT SOCIETA PER AZ. DI INTERM. MOBILIARE	BONIFICHE SILE FINANZIARIA SPA (C)	CREDITO FIDUCIARIO E INDUSTRIALE FONSPA SPA	LOCALI LOCAZIONE ATTIVITA' ZUCCHER SPA (C)	SEMPERNA SPA
ASSETS	(US\$) *	(US\$) *	(Lit) *	(Lit) *	(Lit)	(Lit)	(Lit)	(Lit)	(Lit)	(Lit)
10. Cash and deposits with central banks and post offices			1.433.354		2.265.120	184.940	1.603.269	1.009.576.594	633.355.751	
20. Treasury bills and similar bills eligible for refinancing with central banks			105.267.367		24.745.955.100					
30. Due from banks	472.894.608	7.822.402	15.350.000	2	453.539.178	304.604.476	227.273.237	115.921.902.003	8.109.391.229	14.578.553
40. Loans to customers		1.773.129								
50. Bonds and other debt securities		54.482.604			7.140.933.433			11.780.369.569.031	87.135.814.930	
60. Shares, quotas and other forms of capital					44.7533.171.492	3.8155.872.514		172.485.714.837	1.679.351.000	
70. Equity investments		12.400.412			11.104.566.490					
80. Investments in Group companies								21.094.829.373		1.000.000.000
90. Intangible fixed assets						379.349.114.894				
100. Tangible fixed assets			726.821		2557.301.674	1.4331.072.3349	1.3314.049.646	403.191.484	3.433.243.482	12.415.110
110. Own shares					1.708.757.075	1.353.036.813	331.928.758	169.547.699.847		
130. Other assets							219.660			
140. Accrued income and prepaid expenses	7.239.609	1.090.821	241.330		11.311.657.283	10.775.648.056	24.926.370.202	231.285.137.400	105.065.816.730	6.278.463
Total assets	480.134.217	77.549.368	143.617.531	2	59.853.503.803	61.517.599.401	406.309.955.522	12.606.644.755.395	2.067.712.004.358	1.033.272.103

LIABILITIES AND SHAREHOLDERS' EQUITY

[illegible]

GUARANTEES AND COMMITMENTS

10. Guarantees given						
Commitments	107,644,012		86,223,847,286		108,792,277,695	
TOTAL GUARANTEES AND COMMITMENTS						
	107,644,012	250,281,814,014	131,208,756,917	1,582,681,286,081	1,656,802,583,631	
		250,281,814,014	131,208,756,917	86,223,847,286	1,582,681,286,081	1,765,995,861,326
SHAREHOLDERS' EQUITY (*)						
(Liability captions: 120-130-140-150-160-170, net of dividends)	50,779	44,736,152	15,529,437	2	39,584,804,002	34,470,673,250
					366,208,871,690	705,086,737,725
					86,947,992,974	1,003,500,976

**SCHEDULE OF BALANCE SHEET DATA AND PERFORMANCE FIGURES FOR SIGNIFICANT EQUITY INVESTMENTS
(SEE POINT 3.1 OF THE ACCOMPANYING NOTES) TAKEN FROM THE FINANCIAL STATEMENTS AS AT 31.12.94**

BALANCE SHEET

	BROKER-CREDIT GESTIONE POLITZE DI ASSICURAZIONE SPA	COMMERCIAL UNION ASSURANCE HOLDING SPA (G)	COMMERCIAL UNION LIFE HOLDING SPA (G)	COMMERCIAL UNION WITA SPA (G)	DATA MANAGEMENT SPA	ITALCARDANO UNIVERSAL GUSTIFI SPA (G)	LA COMPAGNIE FIDUCIARIE SPA IN LIQUIDAZIONE (G)	PACINOTTO SRL	SCI GARDINO SRL (G)
ASSETS	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)	(Lit.)
A Called capital unpaid	700,000,000								
B Fixed assets:									
B.I Intangible fixed assets	306,996,528	25,154,350	48,510,950	23,592,810	3,593,483,216	930,376,766			48,586,280
B.II Tangible fixed assets	246,593,114			4,330,453,498	5,645,311,953	7,044,812,879	21,687,199		
B.III Financial fixed assets	21,895,000	4,280,000,000	7,850,354,279	6,875,777	6,584,567,560	5,015,921,870		1	
Total fixed assets	575,480,642	4,285,154,350	7,898,865,229	4,360,912,085	15,813,362,729	12,991,111,515	21,687,199	1	48,586,280
C Current assets									
C.I Inventories					629,861,730	14,272,892,503			59,632,779,162
C.II Receivables	7,418,794,66	49,307,069	27,804,704	19,004,948,712	24,717,507,440	15,811,626,884	217,283,013	12,560,073,691	2,587,690,892
C.III Financial assets not representing fixed assets	21,970,778,927	400,000,000					308,400		
C.IV Liquid funds	186,393,448		172,439,163	118,030,836,830	1,871,073,096	31,643,905	221,951,442	14,725,205	1,210,944,825
Total current assets	29,389,573,553	635,700,517	200,243,867	137,035,785,542	27,218,242,286	29,916,153,292	439,624,855	12,574,825,896	63,451,404,987
D Accrued income and prepaid expenses	32,649,926,303	4,935,438,201	8,099,109,096	145,226,463,254	43,311,012,781	43,335,295,664	472,514,139	12,574,825,897	63,554,024,835
TOTAL ASSETS									
LIABILITIES AND SHAREHOLDERS' EQUITY									
A Shareholders' equity	2,000,000,000	4,900,000,000	11,000,000,000	1,909,00,000	15,000,000,000	6,000,000,000	1,500,000,000	100,000,000	12,000,000,000
A.I Share capital									
Organisation fund				2,000,000,000					
A.II Share premium reserve						1,000,000,000			
A.III Payments on capital account				8,091,000,000	300,000,000				
A.III Revaluation reserves					613,700,000	499,723,481			
A.IV Legal reserve	400,000,000				214,770,371	211,968,162		32,260	76,437,334
A.V Reserve for own shares						654,773,000			
A.VII Other reserves	1,676,076				397,107,307	2,416,140,504	2,600,000,000		
Payments to cover losses				4,235,558,863					
A.VIII Retained earnings (accumulated deficit)					1,188,952,531		(1,686,563,308)	(5,671,081)	1,049,327,674
A.IX Net income (loss) for the year	5,554,689,815	12,233,581	(3,028,082,084)	(45,110,677,341,275)	1,316,372,990	(326,920,960)	(2,291,292,526)	(561,120)	(889,219,997)
Total shareholders' equity	7,556,865,894	4,912,233,581	7,971,917,916	5,558,617,588	18,970,803,199	10,455,694,187	122,144,168	93,800,059	12,236,545,611
B Provisions for risks and charges	15,394,000			110,616,628,101	622,969,207	42,300,000	1,750,000		
C Provision for employee termination indemnities	196,056,963			227,768,999	8,605,196,544	4,760,175,845			
D Payables	24,405,639,950	23,204,620	127,191,180	28,412,092,026	15,017,864,807	27,807,681,013	348,619,971	12,481,025,838	51,315,289,553
E Accrued expenses and deferred income	75,269,496			411,357,540	94,239,024	269,454,619			2,189,664
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,649,926,303	4,935,438,201	8,099,109,096	145,226,463,254	43,311,012,781	43,335,295,664	472,514,139	12,574,825,897	63,554,024,835
MEMORANDUM ACCOUNTS									
Shareholders' equity (ignoring dividends) after deducting Asset caption A	1,979,411,079	4,912,233,581	7,971,917,916	5,558,617,588	18,970,803,199	10,455,694,187	122,144,168	93,800,059	12,236,545,611

(8) The loss reported comprises the loss for the year of Lire 18.7 billion, less the capital reduction of Lire 8.1 billion

**SCHEDULE OF AMOUNTS DUE TO AND FROM GROUP
COMPANIES AS AT 31 DECEMBER 1994
(SEE POINT 3.2 OF THE ACCOMPANYING NOTES)**

Directly and indirectly controlled companies	Amounts due from companies	Amounts due to companies	Italian	
			Guarantees and commitments Guarantees given*	Commitment
1) Banks				
Banca Cattolica		1.693.125.227		
Banca Creditwest e dei Comuni Vesuviani	24.446.100.000	26.426.740		235.014.
Banca Popolare di Spoleto	51.169.328.310	3.172.652.175	1.032.825.725	3.692.944.
Banque Transatlantique de Monaco	8.087.705	684.665.150		
Credito Italiano Bank A.G.	273.185.586.222	485.796.540		
Credito Italiano Finance	51.159.122.220	485.796.540		
	399.968.224.457	27.282.887.524	1.032.825.725	25.737.786.
of which: subordinated loan to Credito Italiano Bank AG	73.341.100.000			
	73.341.100.000			
2) Financial institutions				
Cordusio	6.000.656.523	157.010.450.241		1.642.076.
Creditcon	97.331.041.736			
Credit Consult		3.698.168.031	42.450.000	
Credit Factoring International	642.091.647.630	703.238.131		
Credit Fiduciaria	431.473.282	18.212.280.443		2.924.273.
Credit Leasing	308.566.291.182	4.000.000	53.513.017.797	
Credito Italiano Delaware		770.508.780.512		
Credito Italiano International	273.747.057.500	40.032.647.289		85.126.508.
Credito Italiano Nominees		5.067		
Gesticredit	3.860.627	160.503.382.942		909.588.
Simcredit	17.798.579.023		10.200.000.000	46.764.099.
	1.345.970.607.503	1.150.672.952.656	63.755.467.797	137.366.546.
3) Other customers				
Broker Credit		15.405.640.182	2.500.000	
		15.405.640.182	2.500.000	
4) Bonds and other debt securities				
Banca Popolare di Spoleto	3.370.860.000			
Credit Leasing	40.000.000.000			
	43.370.860.000			
5) Certificates of deposit issued				
Cordusio		1.265.000.000		
		1.265.000.000		
6) Subordinated liabilities				
Total	1.786.309.691.960	1.194.626.480.362	64.790.793.522	163.104.332.

STATEMENT OF INCOME

	PERIOD ENDING 31 MARCH 1995	PERIOD ENDING 31 DECEMBER 1994	PERIOD ENDING 31 DECEMBER 1993	PERIOD ENDING 31 DECEMBER 1992	PERIOD ENDING 31 DECEMBER 1991	PERIOD ENDING 31 DECEMBER 1990	PERIOD ENDING 31 DECEMBER 1989	PERIOD ENDING 31 DECEMBER 1988	PERIOD ENDING 31 DECEMBER 1987
	(US\$) *	(US\$) *	(£ eq.)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)
10. Interest income and similar revenues	16,325,001	4,068,821	2,580,489	4,590,991,890	4,134,111,743	1,026,256,526	1,359,286,166,135	129,648,030,068	9,442,091
20. Interest expense and similar charges	16,325,001	1,523,940	130,306	179,071	196,786,141	2,747,655,417	1,048,435,677,681	284,609,199,691	
30. Dividends and other revenues		640,562	1,119,278		97,797,804	13,938,232,073	300,067,300		
40. Commission income	11,000	343,540	636,930	87,014,620,316	42,194,920,498	13,000,000	16,260,003,132	14,635,210	
50. Commission expense		449		60,3387,550,911	296,045,220		11,420,395,107	6,299,199,128	160,962
60. Profits (losses) on financial transactions		184,349		(213,307,045)	2,124,639,826	173,055,391	(6,717,061,858)	4,561,199,299	
70. Other operating income	194,592		175,860,000	7,118,7337,454	4,174,892,503	14,369,296,636	701,86333,962,384		
80. Administrative costs	193,213	161,487	2,069,833	6,547,425,996	26,418,457,085	6,530,7933,250	97,898,725,523	24,087,912,233	41,480,793
90. Adjustments to intangible and tangible fixed assets			94,131	630,247,619	1,041,022,732	1,025,036,831	7,6331,744,071	380,606,904,408	4,138,370
100. Provisions for risks and charges				260,000,000		181,197,856	2,400,000,000		
110. Other operating expenses	1,182	4,562,334		2,655,027,362				130,776,811,642	
120. Adjustments to loans and provisions for guarantees and commitments							167,608,811,311	10,488,346,006	
130. Writeback of loans and provisions for guarantees and commitments							10,8332,864,6933	1,842,878,804	
140. Provisions for possible loan losses						733,920,388	47,208,764,373		
150. Adjustments to financial fixed assets		1,889,669					728,329,737		
160. Writeback of financial fixed assets									
170. Income (loss) from operating activities	11,197	(2,900,807)	1,422,407	21,097,734,302	27,715,896,147	8,766,632,751	10,998,908,235	1,062,332,657	(36,338,014)
180. Extraordinary income	6,595	20,668,625	249,807	69,852,173	77,576,307	7,022,159,019	28,482,993,511	3,215,659,154	455
190. Extraordinary charges	8,427	36,112	42,661	139,417,597	80,821,765	94,752,068	182,153,545	2,582,710,647	
200. Extraordinary income (loss)	(1,832)	20,632,413	207,146	(69,565,424)	(3,245,458)	6,927,406,951	28,320,839,966	632,948,507	455
210. Change in reserve for general banking/financial risks						(4,795,000,000)			
220. Income taxes			307,041	10,8333,683,00	14,855,000,000	5,808,071,000	25,900,000,000	671,000,000	
260. Net income (loss) for the year	9,365	17,731,606	1,322,512	10,194,585,878	12,857,650,689	5,091,168,702	13,419,748,201	1,024,281,164	(36,337,559)

(a) Authorised by the Board of Directors on 15 March 1995 for submission to the shareholders at the meeting called for 2 May 1995

(b) Non-operating company put into liquidation on 17 January 1995. No income or expenses were recorded in 1994.

(c) Financial statements as at 31 December 1993.

(*) Italian Lire amounts obtained by using the year-end exchange rates

STATEMENT OF INCOME

	1993	1992	1991	1990	1989	1988	1987	1986	1985
	(£A)	(£A)	(£A)	(£A)	(£A)	(£A)	(£A)	(£A)	(£A)
A Value of production	26,608,047,994			11,207,868,991	60,181,590,784	38,054,132,794	757,127,197		15,027,209,125
B Cost of production	15,218,806,413	60,206,381	79,674,247	20,969,352,751	58,964,470,116	36,508,171,141	2,893,225,817	6,805,123	13,405,778,530
Difference between value and cost of production	11,389,239,581	(50,206,381)	(79,674,247)	(9,761,483,760)	1,187,110,668	1,545,961,653	(2,136,098,620)	(6,805,123)	1,621,432,595
C Financial income (charges)	775,354,876	62,335,761	1,131,164	(7,844,689,843)	518,934,115	(1,975,175,115)	(5,292,151)	6,406,003	(2,510,652,592)
D Adjustments to financial assets		13,600,000	(2,949,645,721)		(2,642,443)				
E Extraordinary income (charges)	(200,671,642)	159,201	106,720	(1,162,655,469)	(24,213,350)	102,292,502	(149,901,755)	(400,120)	(889,219,997)
Results before taxation	11,963,922,815	15,888,581	(3,028,082,064)	(18,768,829,072)	1,689,188,990	(326,920,960)	(2,291,292,526)	161,000	
22 Income taxes for the year	6,409,233,000	3,655,000							
26 Net income (loss) for the year	5,554,689,815	12,233,581	(3,028,082,064)	(18,768,829,072)	1,316,372,990	(326,920,960)	(2,291,292,526)	(561,120)	(889,219,997)

(c) Financial statements as at 31 December 1993

STATEMENT OF INCOME

	BANCA CATTOLICA S.p.A.	BANCA CATTOLICA EDIZIONE A SCELTA DI S.p.A.	BANCA POPOLARE D'IRPIGNA S.p.A.	FINANZIARIA DEL MESE DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.	COMPAGNIA EDIZIONE A SCELTA DI S.p.A.
	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)	(L.)
10. Interest income and similar revenues	20,020,528,983	147,542,683,089	182,421,722,820	76,580,000	691,249,812	1,112,047,990	95,008,959,879	172,155,959	6,632,633,903	64,282,810,903	76,961,235
20. Interest expense and similar charges	11,932,763,281	89,682,682,317	104,64,804,023	64,962,000		7,833,517	79,087,221,153		129,200,996,885	28,209,327,342	62,392,107
30. Dividends and other revenues		168,867,500	66,533,351								11,884
40. Commission income	1,304,403,933	15,545,953,601	19,324,971,766	5,154,000	3,676,494,345	12,599,159,165	7,884,841,166	1,613,150,496	9,621,072,774	6,232,251,448	2,619,743
50. Commission expense	108,430,006	3,792,334,207	927,601,303	182,000	737,119,043	7,256,149,579	1,159,557,616	83,990,262	6,654,236,702	8,886,314,323	237,780
60. Profits (losses) on financial transactions	(2,182,840,238)	(14,677,487,835)	2,760,320,009	737,000	(14,020,920)	(117,910,388)	1,601,966				470,009
70. Other operating income	649,386,555	986,435,724	4,000,636,265	563,000	967,907,384	67,294,449		49,593	617,900,617,366	4,545,188,401	1,077,654
80. Administrative costs	7,316,636,520	57,190,275,487	79,989,281,651	9,878,000	3,870,708,437	6,866,562,428	11,306,035,852	334,481,264	17,859,718,261	7,875,66,203	15,506,231
90. Adjustments to intangible and tangible fixed assets	544,856,916	6,857,993,575	5,093,014,345	1,565,000	178,523,958	367,878,351	298,306,147	41,922,425	436,494,766,997	965,472,763	910,572
100. Provisions for risks and charges		661,113,473	949,265,316	830,000	3,231,900	516,781,203	630,000,000				
110. Other operating expenses		543,704,665		373,000	24,588,951	50,055,197		637,761,615	27,599,869,557	6,116,849,377	158,209
120. Adjustments to loans and provisions for guarantees and commitments	5,056,189,020	23,302,132,784	6,706,381,912	3,708,000		3,454,276	5,725,660,675		15,128,766,066	17,296,207,827	27,521,999
130. Writeback of loans and provisions for guarantees and commitments			1,436,152,891	1,172,000		18,689,633	204,934,588				213,656
140. Provisions for possible loan losses					10,728,747				1,500,000,000		
150. Adjustments to financial fixed assets	252,574,000		16,422,074				19,800,000				236,204
160. Writeback of financial fixed assets											107,721
170. Income (loss) from operating activities	(5,422,980,510)	(32,463,994,430)	11,963,546,468	2,698,000	496,729,385	(1,388,433,694)	4,873,775,156	687,200,490	1,215,969,575	4,210,218,917	(25,500,000)
180. Extraordinary income	2,136,696,190	3,803,195,127	4,300,869,924	37,000	106,764,019	177,218,788	161,664,388	4,133,627	2,104,546,696	2,322,661,961	25,500,000
190. Extraordinary charges	137,263,467	765,962,445	1,911,189,640	20,000	188,404,315	81,850,381	55,695,557	31,936,65	777,662,903	96,460,609	
200. Extraordinary income (loss)	1,999,423,723	3,037,233,682	2,389,680,284	17,000	(81,640,297)	95,368,407	105,968,831	(27,803,028)	1,326,883,793	2,226,201,352	25,500,000
210. Change in reserve for general banking/financial risks		1,380,000	(1,000,000,000)	(700,000)			(3,000,000,000)			(2,000,000,000)	
220. Income taxes			9,320,000,000	672,000	301,913,000		948,000,000	240,502,000	784,201,000	1,960,749,000	
260. Net income (loss) for the year	(3,423,547,787)	(29,425,380,748)	4,033,226,752	1,343,000	113,176,088	(1,293,065,287)	1,031,725,387	418,695,462	1,758,652,363	2,475,671,269	

(a) Authorised by the Board of Directors on 15 March 1995 for submission to the shareholders at the meeting called for 2 May 1995

(b) Non-operating company put into liquidation on 17 January 1995. No income or expenses were recorded in 1994.

(c) Financial statements as at 31 December 1993.

(*) Italian Lire amounts obtained by using the year-end exchange rates.

**SCHEDULE OF BALANCE SHEET DATA AND PERFORMANCE FIGURES FOR SIGNIFICANT EQUITY INVESTMENTS
(SEE POINT 3.1 OF THE ACCOMPANYING NOTES) TAKEN FROM THE FINANCIAL STATEMENTS AS AT 31.12.94**

BALANCE SHEET

	PRIMAPOST GSE (20.7%) PARTIC. 9.2.70.12.94	FINTECH S.A. (100%) PARTIC. 10.12.94	COMMERCEBANK S.A. (100%) PARTIC. 10.12.94	INTERBANK S.A. (100%) PARTIC. 10.12.94	DATA S.A. (100%) PARTIC. 10.12.94	PA. OR. W. S.A. (100%) PARTIC. 10.12.94	A. TWENTY S.A. (100%) PARTIC. 10.12.94	PA. OR. W. S.A. (100%) PARTIC. 10.12.94	ST. C. (100%) PARTIC. 10.12.94
	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)	(Lk)
ASSETS									
A Called capital unpaid	700,000,000								
B Fixed assets:									
B.I Intangible fixed assets	306,996,528	25,154,350	48,510,950	23,582,810	3,583,483,216	930,376,766			48,586,26
B.II Tangible fixed assets	246,599,114			4,330,453,498	5,645,311,953	7,044,812,879	21,687,199		
B.III Financial fixed assets	21,895,000	4,260,000,000	7,850,354,279	6,875,777	6,584,567,560	5,015,921,870		1	
Total fixed assets	575,490,642	4,285,154,350	7,898,865,229	4,360,912,085	15,813,362,729	12,991,111,515	21,687,199	1	48,586,28
C Current assets:									
C.I Inventories					629,661,730	14,272,882,503			50,632,779.16
C.II Receivables	7,418,794.66	49,307,069	27,804,704	19,004,948,712	24,717,507,440	15,611,626,884	217,283,013	12,560,073,691	2,587,680.88
C.III Financial assets not representing fixed assets	21,970,778,927	400,000,000					308,400		
C.IV Liquid funds		186,393,448	172,439,163	118,030,836,830	1,671,073,096	31,643,906	221,951,442	14,725,206	1,210,944.82
Total current assets	29,389,573,553	635,700,517	200,243,867	137,035,785,542	27,218,242,266	29,916,153,292	439,624,855	12,574,825,896	63,431,404.86
D Accrued income and prepaid expenses	32,649,926,303	4,935,438,201	8,099,109,096	145,226,463,254	43,311,012,781	43,335,295,664	472,514,139	12,574,825,897	63,554,024.83
TOTAL ASSETS									
LIABILITIES AND SHAREHOLDERS' EQUITY									
A Shareholders' equity	2,000,000,000	4,900,000,000	11,000,000,000	1,909,00,000	15,000,000,000	6,000,000,000	1,500,000,000	100,000,000	12,000,000,000
A.I Share capital									
Organisation fund				2,000,000,000					
A.II Share premium reserve						1,000,000,000			
A.III Payments on capital account				8,091,000,000	300,000,000				
A.IV Revaluation reserves					613,700,000	499,723,481			
A.V Legal reserve	400,000,000				214,770,371	211,968,162		32,260	76,437.33
A.VI Reserve for own shares						654,773,000			
A.VII Other reserves	1,676,076				337,107,307	2,416,140,504	2,600,000,000		
Payments to cover losses				4,235,958,963					
A.VIII Retained earnings (accumulated deficit)					1,188,852,531		(1,686,563,308)	(5,671,081)	1,049,327.67
A.IX Net income (loss) for the year	5,554,689,815	12,233,581	(3,028,082,084)	(61,10,677,341,275)	1,316,372,990	(326,920,960)	(2,291,292,526)	(561,120)	(889,219,997
Total shareholders' equity	7,956,365,894	4,912,233,581	7,971,917,916	5,558,617,588	18,970,803,199	10,455,684,187	122,144,168	93,800,059	12,236,545,61
B Provisions for risks and charges	15,394,000			110,616,629,101	622,969,207	42,300,000	1,750,000		
C Provision for employee termination indemnities	196,056,963			227,766,999	8,605,136,544	4,760,175,845			
D Payables	24,406,838,950	23,204,620	127,191,180	28,412,092,026	15,017,684,897	27,807,681,013	345,619,971	12,431,025,838	51,315,289.55
E Accrued expenses and deferred income	75,269,496			411,357,540	94,233,024	269,454,619			2,189.66
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,649,926,303	4,935,438,201	8,099,109,096	145,226,463,254	43,311,012,781	43,335,295,664	472,514,139	12,574,825,897	63,554,024.83
MEMORANDUM ACCOUNTS									
Shareholders' equity (ignoring dividends) after deducting Asset caption A	1,979,411,079	4,912,233,581	7,971,917,916	5,558,617,588	16,970,803,199	10,455,684,187	122,144,168	93,800,059	12,236,545,61

(6) The loss reported comprises the loss for the year of Lire 18.7 billion, loss the capital reduction of Lire 8.1 billion.

**SCHEDULE OF BALANCE SHEET DATA AND PERFORMANCE FIGURES FOR SIGNIFICANT EQUITY INVESTMENTS
(SEE POINT 3.1 OF THE ACCOMPANYING NOTES) TAKEN FROM THE FINANCIAL STATEMENTS AS AT 31.12.94**

BALANCE SHEET

	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET	OFF TO BALANCE SHEET
	(USD)	(USD)	(EUR)	(EUR)	(USD)	(USD)	(USD)	(USD)	(USD)
ASSETS									
10 Cash and deposits with central banks and post offices			1,433,354		2,265,120	184,940	1,603,269	1,009,576,594	633,355,751
20 Treasury bills and similar bills eligible for refinancing with central banks			105,287,367			24,745,955,100			
30 Due from banks	472,894,608	7,822,402	15,350,000	2	453,539,178	304,904,476	227,273,237	115,921,902,003	8,109,391,229
40 Loans to customers	1,773,129				7,140,933,433			11,780,969,589,031	87,135,814,930
50 Bonds and other debt securities	54,462,604				44,7533,171,492	3,8155,872,514		172,485,714,837	1,679,351,000
60 Shares, quotas and other forms of capital						11,104,566,490			
70 Equity investments		12,400,412						21,094,629,373	1,000,000,000
80 Investments in Group companies							379,349,114,894		
90 Intangible fixed assets					2557,301,874	1,4331,072,3349	1,3314,049,646	463,191,484	3,433,243,482
100 Tangible fixed assets			726,821		1,708,757,075	1,353,036,813	331,928,758	169,547,699,847	
110 Own shares							219,660		
120 Other assets			20,578,659		11,311,657,283	10,775,648,055	24,926,370,202	231,295,137,400	105,065,816,730
140 Accrued income and prepaid expenses	7,239,609	1,090,821	241,330		1,367,216,781	845,424,231	159,395,856	113,857,115,826	49,919,886,488
Total assets	480,134,217	77,549,368	143,617,531	2	59,853,908,603	61,517,598,401	406,309,955,522	12,606,644,756,395	2,067,712,004,358
LIABILITIES AND SHAREHOLDERS' EQUITY									
10 Due to banks	22,537	31,390,972	106,543,105			824,145,652	13,771,852,706	4,044,419,165,753	1,546,799,816,155
20 Due to customers	480,000,000					698,550,030		7,772,066,048	62,556,011,517
30 Securities issued							8,100,000,000	7,061,986,362,583	
40 Public funds administered								472,486,170	
50 Other liabilities		942,098	20,652,546		5,298,084,794	3,859,129,902	1,109,425,257	92,854,573,780	88,032,486,920
60 Accrued expenses and deferred income	60,433	490,146	92,443				646,135,500	213,548,635,640	275,225,380,929
70 Provision for employee termination indemnities					643,283,007	603,001,567	814,734,206	19,655,279,374	4,096,501,863
80 Provisions for risks and charges	468				11,327,737,000	15,062,098,000	6,475,788,541	61,783,157,040	4,053,814,000
90 Reserves for possible loan losses								124,339,292,282	
100 Reserve for general banking/financial risks							4,795,000,000	144,525,000,000	
110 Subordinated liabilities								100,000,000,000	
120 Share capital (*)	1,000	23,000,000	10,000,000	2	15,000,000,000	20,000,000,000	17,596,223,000	100,000,000,000	60,000,000,000
130 Share premium reserve (*)			752,748				237,284,450,264	37,500,000,000	1,000,000,000
140 Reserves (*)	40,414	4,004,546	3,138,719		17,390,218,124	7,400,000,000	96,362,599,407	433,892,046,140	6,023,993,908
150 Revaluation reserves (*)							14,120,312,617	130,274,943,384	18,899,717,902
160 Retained earnings (accumulated losses) (*)			1,115,458			213,022,561	142,265,320		(10,161,465)
170 Net income (loss) for the year (*)	9,365	17,731,606	1,322,512		10,194,585,878	12,857,650,689	5,091,168,702	13,419,748,201	1,024,261,164
Total liabilities and shareholders' equity	480,134,217	77,549,368	143,617,531	2	59,853,908,603	61,517,598,401	406,309,955,522	12,606,644,756,395	2,067,712,004,358
GUARANTEES AND COMMITMENTS									
10 Guarantees given							86,223,847,296		108,792,277,695
20 Commitments			107,644,012		250,281,814,014	131,208,756,917		1,582,681,286,081	1,656,803,583,631
TOTAL GUARANTEES AND COMMITMENTS			107,644,012		250,281,814,014	131,208,756,917	86,223,847,296	1,582,681,286,081	1,765,596,861,326
SHAREHOLDERS' EQUITY (*)									
(Liability captions: 120-130-140-150-160-170, net of dividends)	50,779	44,736,152	15,529,437	2	39,584,804,002	34,470,673,250	366,208,871,690	705,086,737,725	86,947,992,974

SCHEDULE OF AMOUNTS DUE TO AND FROM OTHER AFFILIATED COMPANIES (NOT GROUP COMPANIES) AS AT 31 DECEMBER 1994 (SEE POINT 3.3 OF THE ACCOMPANYING NOTES)

Italian Lire

Directly and indirectly controlled companies	Amounts due from companies	Amounts due to companies	Guarantees and commitments Guarantees given*	Commitments
1) Banks				
Banca d'Italia	3.549.315.692.596	4.638.634.119.635		
Banca Carige S.p.A.	40.966.894.887	42.276.747.465		
Banca Nazionale dell'Agricoltura S.p.A.	360.295.024.574	539.185.625.093	9.000.000	5.126.219.935
Banque Commercial du Maroc	4.889.220.000	388.065.900	9.907.676.238	
Banque Transatlantique S.A.	952.964	3.037.066.858		
Credito Fondiario e Industriale FONSPA S.p.A.	159.875.228.698	25.916.539.255		3.605.899.590
Libra Bank P.I.c.		65.905.983		
Mediobanca S.p.A.	16.232.468.127	178.684.274.697		74.358.104.000
Mediocredito Fondiario Centroitalia S.p.A.	11.466.197.509	1.196.357.554		
Mediocredito dell'Umbria S.p.A.	5.625.000.000	386.707.141		
Mediocredito del Sud S.p.A.	9.389.153.975	1.369.934.002		
Mediocredito Friuli-Venezia Giulia S.p.A.	6.666.666.667	629.254.294		
Mediocredito Lombardo S.p.A.	80.159.322.596			
	4.244.881.822.593	5.431.770.597.877	9.916.676.238	83.090.223.525
2) Financial institutions				
Bonifiche Siele Finanziaria S.p.A.	88.891			
C.B.I. Factor S.p.A.		2.257.809		
Cofisa S.p.A.	235.442.635.275			
Credifarma S.p.A.	235.442.635.275			
Euro-Clear Clearance System P.I.c.	10.542.678.126	36.786.663.557		
Exchange Clearing House Limited	3.602.537.460			
F.I.L.S.E. - Finanziaria Ligure per lo Sviluppo Economico S.p.A.		4.594.101		
Fime Finanziaria Meridionale S.p.A.	106.578.438	720		
Finlombarda Finanziaria per lo Sviluppo della Lombardia S.p.A.		2.072.573		
GI.GEST S.p.A.		730.036		
La Compagnie Fiduciarie S.p.A.		105.885.710		
Leasindustria S.p.A.	6.621.533.071			
Locat S.p.A.	73.366.236.664		5.000.000.000	
Monte Titoli S.p.A.		1.001.248.462		
Servizi Interbancari S.p.A.	34.823.596.751		722.762.470	
Simest S.p.A.		18.867.806.869		
	471.623.734.187	56.571.259.117	5.722.762.470	
3) Other customers				
Abete Sviluppo S.p.A.	1.027.839.061			
Banksiel S.p.A.		263.915.615		
Carbotrade S.p.A.	1.987.316.200	35.620.821	27.483.935	
Cartiere Sottrici Binda S.p.A.	6.635.233.690	32.785.891		
CED Borsa S.C.P.A.		483.758.543		
CEPIM - Centro Padano Interscambio Merci S.p.A.		10.804.859	74.232.655	
Commercial Union Assurance Holding S.p.A.		21.291.416		
Commercial Union Life Holding S.p.A.		21.291.416		
Data Management S.p.A.		5.995.481		
Ferruzzi Finanziaria S.p.A.	54.378.998.609			
Finmeccanica S.p.A.	391.751.173.338	172.799.673	36.479.062.811	
Genesis S.r.l.		1.511.205		
Gruppo Finanziario Tessile S.p.A.	104.412.470	149.224.382		
I.A.M. Rinaldo Piaggio S.p.A.	14.993.126.498		7.663.701.631	
Idracos S.p.A.	399.446.079	48.039.654		
Impreglio S.p.A.	42.813.602.636	3.373.729.146	38.643.325.195	
Interporto di Padova S.p.A.	1.166.279.208			
Istituto Europeo di Oncologia S.r.l.	3.129.717.606			
Italcordano Universal Giunti S.p.A.	95.331.796		300.000.000	
Raggio di Sole Finanziaria S.p.A.	6.704.545.455	301.958		

Directly and indirectly controlled companies	Amounts due from companies	Amounts due to companies	Guarantees and commitments Guarantees given*	Commitments
Safinvest S.p.A.	15.962.972.785			
Santavaleria Finanziaria S.p.A.	5.396.602.213		25.000.000.000	
Sci Giardino S.r.l.	3.433.141.244			
Seleco S.p.A.	7.074.074.759	1.829.749.576	2.745.934.941	
SERFINIM S.p.A.		14.578.530		
Servizi Fiduciaria SEFI S.p.A.		428.923.807		
S.G.R. S.p.A.	136.786			
SITEBA Sistemi Telematici Bancari S.p.A.		208.710.968		
Società Interporto Bologna S.p.A.	1.389.477.560			
	558.443.427.993	7.209.329.527	110.933.741.168	
4) Bonds and other debt securities				
Carbotrade S.p.A.	2.062.544.701			
Cartiere Sottrici Binda S.p.A.	1.956.476.340			
Credito Fondiario e Industriale FONSPA S.p.A.*	181.785.564.244			
Italcardano Universal Giunti S.p.A.	200.000.000			
Mediobanca S.p.A.	297.162.339.451			
Mediocredito Lombardo S.p.A.	1.998.769.200			
Santavaleria Finanziaria S.p.A.	9.048.915.196			
	494.214.609.132			
*) of which: subordinated loan to Credito Fondiario e Industriale				
FONSPA S.p.A.	26.300.000.000			
	26.300.000.000			
5) Securities issued: Certificates of deposit				
Santavaleria Finanziaria S.p.A.		25.000.000.000		
		25.000.000.000		
6) Subordinated liabilities				
Total	5.769.163.593.905	5.520.551.186.521	126.573.179.876	83.090.223.525

ANALYSIS OF CAPTION 70 "EQUITY INVESTMENTS"

(see point 3.4 of accompanying notes)

Italian Lire

Name	Business	% of capital 31.12.94	Cost as at 31.12.94	Total adjustments as at 31.12.94	Net book value as at 31.12.94
a) Banks					
1. listed					
Banca Nazionale dell'Agricoltura S.p.A. Rome	Banking	4.08	100,503,000,000	100,503,000,000	
Banque Commerciale du Maroc Casablanca	Banking	5.00	17,965,989,483	17,965,989,483	
Banque Transatlantique S.A. Paris	Banking	9.34	15,621,868,403	4,651,186,908	10,970,681,495
Credito Fondiario e Industriale - FONSPA S.p.A. Rome	Banking	26.30	205,666,000,000		205,666,000,000
Mediobanca Banca di Credito Finanziario S.p.A. Milan	Banking	8.81	496,073,500,000	496,073,500,000	
			835,830,357,886	4,651,186,908	831,179,170,978
2. unlisted					
Banca d'Italia Rome	Central bank	2.67	8,000,000	8,000,000	
Banca Carige S.p.A. (formerly Mediocredito Ligure S.p.A.) Genoa	Banking	0.15	1,282,303,200		1,282,303,200
Libra Bank P.L.C. (in members' voluntary liquidation) London	Banking	7.07	3,486	3,486	
Mediocredito dell'Umbria S.p.A. Perugia	Banking	0.01	9,929,700	9,929,700	
Mediocredito del Sud S.p.A. (già Mediocredito della Basilicata S.p.A. Bari)	Banking	0.07	75,000,000	75,000,000	
Mediocredito Fondiario Centroitalia S.p.A. Ancona	Banking	0.90	1,014,630,000	1,014,630,000	
Mediocredito del Friuli-Venezia-Giulia S.p.A. Udine	Banking	0.23	131,242,600	131,242,600	
Mediocredito Lombardo S.p.A. Milan	Banking	2.42	4,576,666,667	4,576,666,667	
			7,097,775,653	7,097,775,653	
Total a) Banks			842,928,133,539	4,651,486,908	838,276,946,631
b) Financial Institutions					
1. listed					
Bonifiche Siele Finanziaria S.p.A. Rome	Holding company	14.82	130,137,457,633	130,137,457,633	
Gruppo Bancario Credito Romagnolo S.p.A. Bologna	Holding company	2.05	60,913,614,616	60,913,614,416	
			191,051,072,249	191,051,072,249	
2. unlisted					
Cassa di Compensazione e Garanzia S.p.A. Rome	Clearing House	4.55	2,500,000,000	2,500,000,000	
C.B.I. Factor S.p.A. Milan	Factoring and consumers credit	0.15	130,000,000	130,000,000	
Cedel International S.A. Luxembourg	Deposit and administration of securities	0.70	635,598,600	635,598,600	
Cofisa - Compagnia Finanziaria e di Investimenti S.p.A. Milan	Investment holding	2.36	415,604,250	151,510,703	264,039,547
Credifarma S.p.A. Rome	Factoring	17.00	2,500,625,000	2,500,625,000	
Euro-Clear Clearance System PLC London	Securities clearing	0.25	252,306,899		252,306,899
European Investment Fund Luxembourg	Development of SMES	0.25	478,000,000	478,000,000	
Exchange Clearing House Limited London	FX clearing	4.74	612,669	612,669	
F.I.L.S.E. - Finanziaria Ligure per lo Sviluppo Economico S.p.A. Genoa	Regional investment holding	2.22	416,036,750	3,305,422	412,731,328
FIME - Finanziaria Meridionale S.p.A. Rome	Investment holding	3.11	8,500,000,000	552,834,114	7,947,165,886
Finanziaria Industriale - FIN.IND. S.p.A. Pordenone	Holding company	0.83	99,960,000	99,960,000	
FINLOMBARDA Finanziaria per lo sviluppo della Lombardia S.p.A. Milan	Regional investment holding	3.31	458,653,845	458,653,845	
GI.GEST - Società per la Gestione di Fondi Comuni per Azioni Rome	Management of mutual funds	0.50	250,000,000	250,000,000	
GTI Finance S.A. Paris	Treasury management	2.00	105,999,924	105,999,924	
La Compagnie Fiduciaria S.p.A. in liquidation Milan	Trust company	30.00	135,000,001	135,000,000	1
Leasindustria S.p.A. Milan	Leasing Industrial	3.20	2,836,000,000	2,836,000,000	

Name	Business	% of capital 31.12.94	Cost as at 31.12.94	Total adjustments as at 31.12.94	Net book value as at 31.12.94
LOCAT - Locazione attrezzature S.p.A.					
Turin	Leasing	22.82	24,763,000,000	24,763,000,000	
Monte Titoli S.p.A. - Istituto per la custodia e l'amministrazione accentrata di valori mobiliari Milan	Management of mutual funds	2.90	552,722,928	552,722,928	
Parteco Srl in liquidation Milan	Investment holding	10.00	180,000,000	49,187,534	130,812,466
Servizi Interbancari S.p.A. Rome	Management of credit card systems	4.25	1,749,500,000	1,749,500,000	
Sifida Investment Company S.A. Luxembourg	Investment holding	0.43	95,998,932	95,998,932	
Società Italiana per le Imprese Miste all'Estero - SIMEST S.p.A. Rome	Investment holding	2.06	3,580,000,000	3,580,000,000	
			50,635,619,798	891,837,773	49,743,782,025
Total b) Financial Institutions			241,686,692,047	891,837,773	240,794,854,274

c) OTHER

1. listed

Carbotrade S.p.A. Genoa	Commerce	16.58	1,716,849,950	1,716,849,950	
Cartiere Sottrici Binda S.p.A. Olgiate Olona	Commerce	2.90	2,763,453,000	975,624,733	1,787,828,267
Ferruzzi Finanziaria S.p.A. Ravenna	Industrial investment holding	5.27	271,115,752,000	112,367,257,784	158,748,492,216
Finmeccanica S.p.A. Rome	Holding Industrial	3.05	125,968,508,926	125,968,508,923	
Impreglio S.p.A. (formerly Cogefar-Impresit S.p.A.) Milan	Costruction	2.81	19,734,758,892	19,734,758,892	
Raggio di Sole Finanziaria S.p.A. Rome	Industrial	3.12	1,515,800,000	728,600,736	787,199,264
Santavaleria Finanziaria S.p.A. Milan	Holding Industrial	1.31	1,479,634,768	1,479,634,768	
Sediver S.A. Nanterre	Manufacturing	2.62	4,259,994,566	4,259,994,566	
			428,554,752,102	114,071,483,253	314,483,268,849

2. unlisted

Abete Sviluppo S.p.A. Milan	Graphics	10.99	5,500,000,000	5,500,000,000	
Banksiel S.p.A. Milan	Management of EDP systems	7.00	5,983,978,000	5,983,978,000	
CED Borsa S.c.p.a. Milan	Management of EDP systems for the stockmarket	2.81	844,053,150	844,053,150	
Centrale dei Bilanci srl Società per gli Studi Finanziari Turin	Management of economic-financial EDP systems	3.33	300,000,000	300,000,000	
Centrale Rischii Finanziaria CRIF S.p.A. Bologna	Management of consumer credit database	3.86	251,048,363	251,048,363	
Centro Integrato per lo Sviluppo dell'imprenditorialità C.I.S.I. S.p.A. of SMES Naples	Consultancy for the development	0.50	18,054,480	18,054,480	
Centro Padano Interscambio Merci CE.P.I.M. S.p.A. Parma	Management of changeovers in the transport of goods	0.21	48,287,083	23,108,404	25,178,679
Commercial Union Assurance Holding S.p.A. Milan	Investment in "non-life" insurance	30.00	1,503,930,134	1,503,930,134	
Commercial Union Life Holding S.p.A. Milan	Investment in life companies assurance	30.00	4,297,999,263	997,999,263	3,300,000,000
Commercial Union Vita S.p.A. Milan	Insurance	30.00	15,082,959,947	3,882,414,724	11,200,545,223
Data Management S.p.A. Milan	Data processing	39.00	5,018,000,000	5,018,000,000	
Genesis Srl (in liquidazione) Milan	Manufacturing	10.89	1	1	
G.F.T. - Gruppo Finanziario Tessile S.p.A. Turin	Manufacture of clothing	12.91	13,499,004,000	13,499,004,000	
A.M. Rinaldo Piaggio S.p.A. Genoa	Aeronautics and engineering	3.29	2,085,616,508	2,085,616,507	1
Idracos S.p.A. Parma	Manufacturing	10.00	300,026,345	300,026,345	
Interporto di Padova S.p.A. Padua	Management of changeovers in the transport of goods	0.51	240,000,000	240,000,000	
ISTICA - Istituto Immobiliare di Catania S.p.A. Catania	Property	3.30	1	1	
ISTINFORM S.p.A. Milan	Installation of EDP systems	0.34	33,730,612	4,538,105	29,192,507
Istituto Europeo di Oncologia Srl Milan	Cancer research	5.71	4,800,000,000	4,800,000,000	
Istituto per l'Enciclopedia della Banca e della Borsa S.p.A. Rome	Publishing for the banking Industry	4.65	126,327,561	126,327,561	

Italian Lire

name	Business	% of capital 31.12.94	Cost as at 31.12.94	Total adjustments as at 31.12.94	Net book value as at 31.12.94
ISTUD - Istituto Studi Direzionali S.p.A. Milan	Management education	0.50	6,000,001	6,000,001	
Italcordano Universal Giunti S.p.A. Pero	Engineering	20.00	2,155,000,000	2,155,000,000	
Marchesini Group Srl Pianoro (BO)	Manufacturing	9.00	1,127,250,000	1,127,250,000	
NOMISMA - Società di Studi Economici S.p.A. Bologna	Economic research	0.67	59,793,200	3,137,724	56,655,476
PACKINTEC S.r.l. Milan	Manufacturing	21.55	21,550,000	21,550,000	
SAFINVEST S.p.A. in liquidazione Olgiate Olona	Manufacturing investment holding	8.01	4,082,756,843	4,082,756,842	1
SCI Giardino S.r.l. Genoa	Manufacturing	20.00	3,030,708,000	583,398,878	2,447,309,122
Seleco S.p.A. Pordenone	Production of radios and televisions	1.10	500,000,000	500,000,000	
Serfinim S.p.A. Rome	Industrial investment holding	33.33	350,000,000	350,000,000	
Servizi Fiduciari SEFI S.p.A. Milan	Transport of valuables and correspondence	14.40	557,454,000	557,457,000	
S.G.R. Società gestione per il realizzo S.p.A. Rome subject to a creditors' arrangement	Liquidation of the assets and liabilities, of Federconsorzio, now subject to a creditors' arrangement	6.21	638,000,000	638,000,000	
S.I.A. Società Interbancaria per l'Automazione S.p.A. Milan	Design and installation of EDP systems	0.37	78,217,550	78,217,550	
SITEBA Sistemi Telematici Bancari S.p.A. Rome	Management of POS systems	2.43	121,539,000	34,763,697	86,775,303
Società di Cooperazione Agricola S.p.A. Sanremo	Management of flower markets	3.75	116,228,437	39,846,187	76,382,250
Società Interporto Bologna S.p.A. Bologna	Development of nodes for the transshipment of goods	1.73	335,307,060	335,307,060	
Società per i Servizi Bancari - SSBB S.p.A. Milan	Development and mangement of banking systems	7.90	597,726,690	597,726,690	
S.W.I.F.T. Society for Worldwide Interbank Fi- nancial Telecommunication Co-operative Society La Hulpe	Data Transmission	0.46	40,667,886	40,667,886	
Treno Alta Velocità - T.A.V. S.p.A. Rome	Design and construction of railway lines and infrastructure		2,50	2,472,500,000	2,472,500,000
			76,223,714,115	11,737,580,331	64,486,133,784
al c) OTHER			504,778,466,217	125,809,063,584	378,969,402,633

ANALYSIS OF CAPTION 80 "INVESTMENTS IN GROUP COMPANIES"

(see point 3.5 of accompanying notes)

Italian Lire

Name	Business	% of capital 31.12.94	Cost as at 31.12.94	Total adjustments as at 31.12.94	Net book value as at 31.12.94
a) in BANKS					
1. listed					
Banca Creditwest e dei Comuni Vesuviani S.p.A. Milan	Banking	68.04	131,282,000,000		131,282,000,000
			131,282,000,000		131,282,000,000
2. unlisted					
Banca Cattolica S.p.A. Molfetta	Banking	35.00	51,600,000,000	51,600,000,000	
Banca Popolare di Spoleto S.p.A. Spoleto	Banking	28.90	49,539,895,784	49,539,895,784	
Banca Transatlantique de Monaco S.A. (now Banque Monegasque de Gestion) Montecarlo	Banking	100.00	17,259,866,368	17,259,866,368	
Credito Italiano Bank A.G. Frankfurt	Banking	100.00	51,497,249,884	26,711,250,000	24,785,999,884
Credito Italiano Finance Corporation Limited Nassau	Banking	100.00	29,034,050,000		29,034,050,000
			198,931,062,036	26,711,250,000	172,219,812,036
Total a) BANKS			330,213,062,036	26,711,250,000	303,501,812,036
b) IN FINANCIAL INSTITUTIONS					
1. listed					
2. unlisted					
Cordusio Società Fiduciaria per Azioni Milan	Trust company	100.00	9,347,245,646		9,347,245,646
Creditcon S.p.A. Pisa	Factoring and consumer credit	100.00	30,715,339,970	30,715,339,970	
Credit Consult Società di Intermediazione Mobiliare Milan	Stockbroking	70.00	11,118,045,160	856,233,439	10,261,811,721
Credit Factoring International S.p.A. Società per il Factoring Internazionale Milan	Factoring	100.00	30,420,003,169		30,420,003,169
Credit Fiduciaria S.p.A. Milan	Asset mangement	100.00	2,044,021,343		2,044,021,343
Credit Leasing Società per il Leasing Finanziario S.p.A. Milan	Leasing	100.00	41,304,692,500		41,304,692,500
Credito Italiano Delaware Inc. Wilmington	Financial intermediation	100.00	30,999,580		20,999,580
Credito Italiano International Limited London	Stockbroking	100.00	27,079,908,499		27,079,908,499
Credito Italiano Nominees Limited London	Trust company	50.00	2,334		2,334
Gesticredit S.p.A. Milan	Mutual Funds	100.00	31,469,329,057		31,469,329,057
SimCredit Società per Azioni di Intermediazione Mobiliare Milan	Trust company	73.10	15,081,562,500		15,081,562,500
			198,611,149,758	856,233,439	197,754,916,319
Total b) FINANCIAL INSTITUTIONS			198,611,149,758	856,233,439	197,754,916,319
c) OTHER					
1. listed					
2. unlisted					
Broker Credit Gestione Polizze di Assicurazione S.p.A. Milan	Insurance broking	70.00	910,000,000		910,000,000
			910,000,000		910,000,000
Total c) OTHER			910,000,000		910,000,000
Total caption 80 "Investment in Group companies"			529,734,211,794	27,567,483,439	502,166,728,355

SCHEDULE OF FORWARD TRANSACTIONS

(see point 10.5 of the accompanying notes)

billions €

Type of transaction	Amounts as at				31 December 1993		
	31 December 1994				Hedging	Dealing	Other
1. Dealing	77,213.0	3,978.1	—	81,191.1	71,029.7	4,307.1	—
1.1 securities	—	3,978.1	—	3,978.1	—	4,307.1	—
- purchases	—	2,084.8	—	2,084.8	—	3,005.9	—
- sales	—	1,893.3	—	1,893.3	—	1,301.2	—
1.2 currency	77,213.0	—	—	77,213.0	71,029.7	—	—
- foreign currency purchased with foreign currency	18,606.7	—	—	18,606.7	20,102.0	—	—
- foreign currency purchased with Italian Lire	30,876.3	—	—	30,876.3	26,761.9	—	—
- foreign currency sold for Italian Lire	27,730.0	—	—	27,730.0	24,165.8	—	—
2. Deposits and loans	—	—	6,884.5	6,884.5	—	—	3,544.4
- to be paid	—	—	2,889.5	2,889.5	—	—	1,455.9
- to be received	—	—	3,995.0	3,995.0	—	—	2,088.5
3. Derivative contracts	18,695.2	51,007.8	—	69,703.0	13,124.0	31,277.9	—
3.1 Involving exchange of capital	—	3,522.2	—	3,522.2	—	5,151.2	—
a) securities	—	2,534.2	—	2,534.2	—	4,912.4	—
- purchases	—	1,251.6	—	1,251.6	—	2,367.3	—
- sales	—	1,282.6	—	1,282.6	—	2,545.1	—
b) currencies	—	988.0	—	988.0	—	238.8	—
- foreign currency purchased with foreign currency	—	412.0	—	412.0	—	6.8	—
- foreign currency purchased with Italian Lire	—	294.2	—	294.2	—	139.1	—
- foreign currency sold for Italian Lire	—	281.8	—	281.8	—	92.9	—
c) other	—	—	—	—	—	—	—
- purchases	—	—	—	—	—	—	—
- sales	—	—	—	—	—	—	—
3.2 Not involving exchange of capital	18,695.2	47,485.6	—	66,180.8	13,124.0	26,126.7	—
a) currencies	—	—	—	—	—	7.9	—
- foreign currency purchased with foreign currency	—	—	—	—	—	—	—
- foreign currency purchased with Italian Lire	—	—	—	—	—	7.9	—
- foreign currency sold for Italian Lire	—	—	—	—	—	—	—
b) other assets	18,695.2	47,485.6	—	66,180.8	13,124.0	26,118.8	—
- purchases	9,559.4	24,493.9	—	34,053.3	5,965.9	12,584.9	—
- sales	9,135.8	22,991.7	—	32,127.5	7,158.1	13,533.9	—
Total	95,908.2	54,985.9	6,884.5	157,778.6	84,153.7	35,585.0	3,544.4

	A. Opening balances as at 31.12.93	B. Increases				C. Decreases				D. Closing balance as at 31.12.94	E. Total revaluations	F. Total adjustments
		B.1 Purchases	B.2 Withdrawals	B.3 Revaluations	B.4 Other changes (gross of sales)	Total	C.1 Disposals	C.2 Adjustments (losses on sales)	C.3 Other changes (losses on sales)	Total		
COMMERCIAL UNION LIFE HOLDING S.p.A. Milan	-	(c) 4.297.999.263				4.297.999.263		997.999.263		997.999.263	3.300.000.000	997.999.263
COMMERCIAL UNION VITA S.p.A. Milan	-	(c) 15.082.959.947				15.082.959.947		3.882.414.724		3.882.414.724	11.200.545.223	3.882.414.724
DATA MANAGEMENT S.p.A. Milan	-	(c) 5.018.000.000				5.018.000.000		-		-	5.018.000.000	-
GENESIS S.r.l. in liquidation Milan	-	(d) 1				1					1	
G.F.T. - GRUPPO FINANZIARIO TESSILE S.p.A. Turin	-	13.499.004.000				13.499.004.000				-	13.499.004.000	-
I.A.M. Finalito Piaggio S.p.A. Genova	735.694.500	585.616.508				585.616.508		1.321.311.007		1.321.311.007	1	2.066.616.507
IDRACOS S.p.A. Parma	-	(d) 300.026.345				300.026.345				-	300.026.345	
IFAP IRI - SERVIZI PER LA FORMAZIONE S.c.p.a. Roma	101.556.000	685.891.998				685.891.998	1	787.447.997		787.447.998	-	
INTERPORTO DI PADOVA S.p.A. Padous	240.000.000					-				-	240.000.000	
IRI MANAGEMENT - FORMAZIONE E SVILUPPO S.c.p.a. Roma	13.750.000					-	13.750.000			13.750.000	-	
ISTICA - ISTITUTOLI IMMOBILIARE DI CATANIA S.p.A. Catania	1					-				-	1	
ISTIFORM S.p.A. Milan	32.531.287					-		3.338.780		3.338.780	29.192.507	4.538.105
ISTITUTO EUROPEO DI ONCOLOGIA S.r.l. Milan	-	4.800.000.000				4.800.000.000				-	4.800.000.000	
ISTITUTO PER L'ENCICLOPEDIA DELLA BANCA E DELLA BORSA S.p.A. Roma	126.327.561					-				-	126.327.561	
ISTUD - ISTITUTO STUDI DIREZIONALI S.p.A. Milan	6.000.001					-				-	6.000.001	
ITALCARDANO S.p.A. Pero	-	(d) 2.155.000.000				2.155.000.000				-	2.155.000.000	
MARCHESINI GROUP S.p.A. Piamore (BO)	-	(d) 1.127.250.000				1.127.250.000				-	1.127.250.000	
NONISMA - SOCIETA' DI STUDI ECONOMICO S.p.A. Bologna	58.522.600					-		1.867.124		1.867.124	56.655.476	3.137.724
PACKINTEC S.r.l. Milan	-	(d) 21.550.000				21.550.000				-	21.550.000	
SAFINVEST S.p.A. (in liquidation)	-					-		1		1	-	
Ogilvie Olina (Varese)	1	(d) 1				1				-	1	4.082.756.842
SCI GIARDINO S.r.l. Genova	-	(d) 3.030.708.000				3.030.708.000		583.398.878		583.398.878	500.000.000	583.398.878
SELECO S.p.A. Pordenone	-	500.000.000				500.000.000				-	500.000.000	
SERFINIM S.p.A. Roma	350.000.000					-				-	350.000.000	
SERVIZI FIDUCIARI SEFI S.p.A.	557.454.000					-				-	557.454.000	
S.G.R. Società gestione per il realizzo S.p.A. Roma	638.000.000					-				-	638.000.000	
S.I.A. - Società Interbancari per l'automazione S.p.A. Milan	78.217.550					-				-	78.217.550	
SITTEBA - SISTEMI TELEMATICI BANCARI S.p.A. Roma	117.790.737					-		31.015.434		31.015.434	86.775.303	34.763.697
SOCIETA' DI COOPERAZIONE AGRICOLA S.p.A. Sanremo	76.382.250					-				-	76.382.250	39.846.187
SOCIETA' DI INTERPORTO BOLOGNA S.p.A. Bologna	335.307.060					-				-	335.307.060	
SOCIETA' PER I SERVIZI BANCARI - SSB S.p.A. Milan	604.326.690					-	7.200.000			7.200.000	597.726.690	
S.W.I.F.T. - Society for worldwide Interbank Financial Telecommunication Co-operative Society La Hulpe	46.305.032					143.927.654	149.564.800			149.564.800	40.667.886	
TRENO ALTA VELOCITA' - TAV S.p.A. Roma	-	(c) 2.472.500.000			2.472.500.000	1.565.809.838.690	6.785.536.627	126.457.782.673	817.385.039	134.050.694.339	2.472.500.000	
TOTAL	26.492.048.187	1.564.353.852.931		-	1.285.996.299	1.565.809.838.690	6.785.536.627	126.457.782.673	817.385.039	134.050.694.339	1.458.041.203.538	131.352.088.265
Investments acquired on the merger of:												
(a) Credit Holding Bank S.p.A.						802.242.500.000						
(b) Credit Holding International S.p.A.						33.789.856.742						
(c) Credit Holding Italia S.p.A.						202.685.324.978						
(d) Credit Merchant S.p.A.						21.702.417.8887						
Total						1.060.420.089.601						

	A Opening balances as at 31.12.93	B Increases				C Decreases				D Closing balance as at 31.12.94	E Total revaluations	F Total adjustments
		B.1 Purchases	B.2 Withdrawals	B.3 Revaluations	B.4 Other changes (gains on sales)	Total	C.1 Disposals	C.2 Acquisitions	C.3 Other changes (losses on sales)			
FLISE - FINANZIARIA LIGURE PER LO SVILUPPO ECONOMICO S.p.A. Genova	416.036.750					-		3.305.422		412.731.328		3.305.422
FIME - FINANZIARIA MERIDIONALE Rome	-	(c) 8.500.000.000				8.500.000.000		552.834.114		7.947.165.886		552.834.114
FINANZIARIA INDUSTRIALE - FIN. IND. S.p.A. Pordenone	99.990.000					-		-		99.990.000		
FINLOMBARDA FINANZIARIA PER LO SVILUPPO DELLA LOMBARDIA S.p.A. Milan	458.653.845					-		-		458.653.845		
GI.GEST - Società per la Gestione di Fondi Comuni per Azioni Rome	-	(c) 250.000.000				250.000.000		-		250.000.000		
GIT FINANCE S.A. Paris	-	(b) 105.999.924				105.999.924		-		105.999.924		
LA COMPAGNIE FIDUCIARIE S.p.A. in liquidation Milan	-	(c) 90.000.001				135.000.001		135.000.000		135.000.000		135.000.000
LEASINDUSTRIA S.p.A. Milan	-	(c) 2.836.000.000				2.836.000.000		-		2.836.000.000		
LOCAT - Locazione attrezzature S.p.A. Turin	-	(c) 24.763.000.000				24.763.000.000		-		24.763.000.000		
MONTE TITOLI S.p.A. - Istituto per la custodia e l'amministrazione accentrata di valori mobiliari Milan	552.722.928					-		49.187.534		552.722.928		49.187.534
PARTECO SRL IN LIQUIDATION Milan	-	(d) 180.000.000				180.000.000		-		180.000.000		
SERVIZI INTERBANCARI S.p.A. Rome	-	(c) 1.749.500.000				1.749.500.000		-		1.749.500.000		
SIFIDA INVESTMENT COMPANY S.A. Luxembourg	-	(b) 95.998.932				95.998.932		-		95.998.932		
SOCIETA ITALIANA PER LE IMPRESE MISTE ALL'ESTERO - SIMEST S.p.A. Rome	2.600.000.000					980.000.000		-		3.580.000.000		
e) other												
1. listed												
CARBOTRADE S.p.A. Genova	-	(d) 1.716.849.950				1.716.849.950		-		1.716.849.950		
CARTIERE SOTTORICI BINDA S.p.A. Olgiate Olona	-					2.763.453.000		975.624.733		1.787.828.267		975.624.733
FERRUZZI FINANZIARIA S.p.A. Ravenna	-					271.115.752.000		112.367.257.784		158.748.494.216		112.367.257.784
FINMECCANICA S.p.A. Rome	-					125.968.508.926		-		125.968.508.926		
IMPIEGGIO S.p.A. (now COGEFAR-IMPRESIT S.p.A.) Milan	-					19.734.758.892		-		19.734.758.892		
RAGGIO DI SOLE FINANZIARIA S.p.A. Rome	-	(d) 1.515.800.000				1.515.800.000		728.600.736		787.199.284		728.600.736
SANTAVALLERIA FINANZIARIA S.p.A. Milan	-	(d) 1.479.634.768				1.479.634.768		-		1.479.634.768		
SEDIWER S.A. Nanterre	-	(d) 4.259.994.566				4.259.994.566		-		4.259.994.566		
2. unlisted												
ABETE SVILUPPO S.p.A. Milan	-	(d) 5.500.000.000				5.500.000.000		-		5.500.000.000		
BANKSIEL S.p.A. Milan	-	(c) 5.983.978.000				5.983.978.000		-		5.983.978.000		
GED BORSA S.p.A. Milan	574.052.100					270.001.050		-		844.053.150		
CENTRALE DEI BILANCI S.r.l. - SOCIETA PER GLI STUDI FINANZIARI Turin	300.000.000					-		-		300.000.000		
CENTRALE RISCHI FINANZIARIA CRIF S.p.A. Bologna	251.048.363					-		-		251.048.363		
CENTRO INTEGRATO PER LO SVILUPPO DELL'IMPRENDITORIALITA' - C.I.S.I. - CAMPANIA S.p.A. Pozzuoli (NA)	18.054.480					-		-		18.054.480		
CENTRO PADANO INTERSCAMBIO MERCI CE.P.I.M. S.p.A. Parma	47.088.207					-		21.909.528		25.178.679		23.108.404
COMMERCIAL UNION ASSURANCE HOLDING S.p.A. Milan	-	(c) 1.503.930.134				1.503.930.134		-		1.503.930.134		

SCHEDULE OF CHANGES IN EQUITY INVESTMENTS (SEE POINT 3.6 OF THE ACCOMPANYING NOTES)
As at 31 December 1994

3.6.2 Other investments

Italian

	A. Opening balances as at 31.12.93	B. Increases				C. Decreases				D. Closing balance as at 31.12.94	E. Total revaluations	F. Total adjustments
		B.1 Purchases	B.2 Withdrawals	B.3 Revaluations	B.4 Other changes (gains or losses)	Total	C.1 Disposals	C.2 Adjustments	C.3 Other changes (losses or gains)	Total		
a) In banks												
1. listed												
BANCA NAZIONALE DELL'AGRICOLTURA S.p.A. Rome	-	(a) 100.503.000.000				100.503.000.000				-		
BANQUE COMMERCIALE DU MAROC Casablanca	-	(b) 17.965.989.483				17.965.989.483				-		
BANQUE TRANSATLANTIQUE S.A. Paris	-	(b) 15.621.868.403				15.621.868.403		4.651.186.808		4.651.186.908		4.651.186.8
CREDITO FONDARIO E INDUSTRIALE - FONSPA S.p.A. Rome	-	(a) 205.666.000.000				205.666.000.000				-		
MEDIOBANCA - Banca di Credito Finanziario S.p.A. Milan	-	(a) 496.073.500.000				496.073.500.000				-		
2. unlisted												
BANCA D'ITALIA Rome	8.000.000					-				-		
BANCA CARIGE S.p.A. (now Mediocredito Liguri S.p.A.) Genoa	929.430.000	352.873.200			352.873.200	-				-		
BIMER BANCA S.p.A. Bologna	1.530.000.000				94.673.062	94.673.062	1.624.673.062			1.624.673.062		
ISTITUTO DI CREDITO DELLE CASSE RURALI E ARTIGIANE S.p.A. Rome	348.550.000				51.450.000	51.450.000	400.000.000			400.000.000		
LIBRA BANK P.L.C. - (in members' voluntary liquidation) London	3.486					-				-		
MEDIOCREDITO ABRUZZESE E MOLISANO S.p.A. Teramo	500.000.000				54.861.250	54.861.250	554.861.250			554.861.250		
MEDIOCREDITO DELLA PUGLIA S.p.A. Bari	779.400.000				73.986.600	73.986.600	853.386.600			853.386.600		
MEDIOCREDITO DELL'UMBRIA S.p.A. Perugia	9.929.700				-	-				-		
MEDIOCREDITO DEL SUD S.p.A. (now MEDIOCREDITO DELLA BASILICATA) Bari	75.000.000				-	-				-		
MEDIOCREDITO DI ROMA S.p.A. Rome	1.478.011.269	606.680.000			355.566.870	961.246.870	2.439.258.139			2.439.258.139		
MEDIOCREDITO FONDARIO CENTROTALIA S.p.A. Ancona	1.014.630.000				-	-				-		
MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.p.A. Udine	131.242.600				-	-				-		
MEDIOCREDITO LOMBARDO S.p.A. Milan	4.576.666.667				-	-				-		
MEDIOCREDITO DELLA CALABRIA S.p.A. Catanzaro	137.181.217				-	-	107.244.175	29.937.042		137.181.217		
b) In financial institutions												
1. listed												
BONIFICHE SIELE FINANZIARIA S.p.A. Rome	-	(c) 130.137.457.633			130.137.457.633	-				-		
GRUPPO BANCARIO CREDITO ROMAGNOLO S.p.A. Bologna	-	60.913.614.616			60.913.614.616	-				-		
2. unlisted												
CASSA DI COMPENSAZIONE E GARANZIA S.p.A. Rome	2.500.000.000				-	-				-		
C.B.I. FACTOR S.p.A. Milan	130.000.000				-	-				-		
CEDEL - CENTRALE DE LIVRAISON DE VALEURS MOBILIERES S.A. Luxembourg	154.077.737				481.520.863	481.520.863	635.598.600			635.598.600		
CEDEL INTERNATIONAL S.A. Luxembourg	-	635.598.600			635.598.600	-				-		
COFISA - COMPAGNIA FINANZIARIA E DI INVESTIMENTI S.p.A. Milan	-	(d) 415.604.280			415.604.280	-				-		
CREDIFARMA S.p.A. Rome	2.500.625.000				-	-	151.510.703			151.510.703		151.510
EURO CLEAR CLEARANCE SYSTEM PLC London	252.306.899				-	-				-		
EUROPEAN INVESTMENT FUND Luxembourg	-	478.000.000			478.000.000	-				-		
EXCHANGE CLEARING HOUSE LIMITED London	612.669				-	-				-		

italian Lire

	A Opening balances as at 31.12.93	B Increases				C Decreases			D Closing balance as at 31.12.94	E Total revaluations	F Total adjustments
		B.1 Purchases	B.2 Withdrawals	B.3 Revaluations	B.4 Other changes (gains or losses)	C.1 Deposits	C.2 Adjustments	C.3 Other changes (losses or gains)			
a) In banks											
1. listed											
BANCA CREDITWEST E DEI COMUNI VESUVIANI S.p.A. Milan	-	(a) 131.282.000.000				131.282.000.000			-	131.282.000.000	
2. unlisted											
BANCA CATTOLICA S.p.A. Molitetta	-	51.600.000.000				51.600.000.000			-	51.600.000.000	
BANCA POPOLARE DI SPOLETO S.p.A. Spoleto	60.000.000.000			1.290.087.484		1.290.087.484	11.750.191.700		11.750.191.700	49.539.895.784	
BANQUE TRANSATLANTIQUE DE MONACA S.A. (Innov Banque Monégasque de Gestion) Montecarlo	-	(b) 17.259.866.368		17.259.866.368					-	17.259.866.368	
CREDITO ITALIANO BANK A.G. Frankfurt	-	(b) 24.785.999.894		51.497.249.894			26.711.250.000		26.711.250.000	24.785.999.894	
CREDITO ITALIANO FINANCE CORPORATION LTD Nassau	29.034.050.000			-					-	29.039.050.000	
b) In financial institutions											
1. listed none											
2. unlisted											
CORDUSIO SOCIETA FIDUCIARIA PER AZIONI Milan	4.028.245.646	(c) 1.119.000.000		5.319.000.000					-	9.347.245.646	
CREDITCON S.p.A. Pisa	-	(c) 30.715.399.970		30.715.399.970					-	30.715.399.970	
CREDIT CONSULT Società per Azioni di Intermediazione Mobiliare Milan	-	(c) 11.118.045.160		11.118.045.160			856.233.439		856.233.439	10.261.811.271	856.233.439
CREDIT FACTORING INTERNATIONAL S.p.A. Società per il Factoring Internazionale Milan	-	(c) 30.420.003.169		30.420.003.169					-	30.420.003.169	
CREDIT FIDUCIARIA S.p.A. Milan	-	(c) 2.044.021.343		2.044.021.343					-	2.044.021.343	
CREDIT HOLDING BANK S.p.A. Milan	843.637.000.000		1.000.000	1.000.000		(d) 843.638.000.000			843.638.000.000	-	
CREDIT HOLDING INTERNATIONAL S.p.A. Milan	103.669.015.984		1.000.000	1.000.000		(d) 103.670.015.984			103.670.015.984	-	
CREDIT HOLDING ITALIA S.p.A. Milan	413.533.130.677			-		(d) 66.980.728.169			66.980.728.169	-	
CREDITO ITALIANO DELTAWARE INC Wilmington	-	(b) 30.999.580		30.999.580					-	30.999.580	
CREDITO ITALIANO INTERNATIONAL LTD London	-	(b) 27.079.908.499		27.079.908.499					-	27.079.908.499	
CREDITO ITALIANO NOMINEE London	-	(b) 2.334		2.334					-	2.334	
GESTOCREDIT S.p.A. Milan	13.595.329.057	(c) 17.874.000.000		17.874.000.000					-	31.469.329.057	
SIMOCREDIT - SOCIETA PER AZIONI DI INTERMEDIAZIONE MOBILIARE Milan	14.222.133.000		859.429.500	859.429.500					-	15.081.562.500	
c) Other											
1. listed none											
2. unlisted											
BROKER CREDIT Gestione Polizza d'assicurazione S.p.A. Milan	-	(c) 910.000.000		910.000.000					-	910.000.000	
GENERALE IMMOBILIARE S.r.l. Marsala	4.943.149.765		-	-	(d) 4.943.149.765	1.444.515.216.295	27.567.483.439		4.943.149.765	502.166.728.355	27.567.483.439
TOTAL	115.535.642.782.298	418.316.556.307	-	-	1.290.087.484	420.606.645.791	1.444.515.216.295	27.567.483.439	-	1.417.082.699.734	502.166.728.355

GEOGRAPHICAL DISTRIBUTION OF ASSETS AND LIABILITIES

(see point 11.5 of the accompanying notes)

millions of Italian Lire

		Amounts as at	
		31.12.94	31.12.93
ASSETS			
Italy			
1.1 Due from banks	14,568.3	17,107.2	
1.2 Loans to customers	32,142.1	39,919.8	
1.3 Securities	17,392.9	15,801.9	
	61,103.3	72,828.9	
Other EU countries			
1.1 Due from banks	19,045.8	13,526.5	
1.2 Loans to customers	2,872.9	1,849.6	
1.3 Securities	629.8	1,060.1	
	22,548.5	16,436.2	
Other countries			
1.1 Due from banks	9,579.1	8,591.9	
1.2 Loans to customers	3,289.1	3,588.0	
1.3 Securities	1,717.7	1,072.9	
	14,585.9	13,252.8	
Total			
1.1 Due from banks	43,193.2	39,225.6	
1.2 Loans to customers	38,304.1	45,357.4	
1.3 Securities	19,740.4	17,934.9	
	101,237.7	102,517.9	
LIABILITIES			
Italy			
2.1 Due to banks	16,818.1	21,309.8	
2.2 Due to customers	26,594.1	26,675.9	
2.3 Securities issued	8,168.9	8,293.4	
2.4 Other	566.6	7.3	
	52,147.7	56,286.4	
Other EU countries			
2.1 Due to banks	21,284.4	20,571.5	
2.2 Due to customers	2,216.1	1,167.1	
2.3 Securities issued	3,750.1	4,333.7	
2.4 Other	1,416.8	1,478.9	
	28,667.4	27,551.2	
Other countries			
2.1 Due to banks	13,477.3	12,620.9	
2.2 Due to customers	3,398.0	3,758.7	
2.3 Securities issued	923.7	143.4	
2.4 Other	—	—	
	17,799.0	16,523.0	
Total			
2.1 Due to banks	51,579.8	54,502.2	
2.2 Due to customers	32,208.2	31,601.7	
2.3 Securities issued	12,842.7	12,770.5	
2.4 Other	1,983.4	1,486.2	
	98,614.1	100,360.6	
GUARANTEES AND COMMITMENTS			
Italy			
	16,376.3	14,228.2	
Other EU countries			
	2,586.2	3,203.3	
Other countries			
	5,321.5	4,758.5	
Total			
	24,284.0	22,190.0	

ANALYSIS OF ASSETS AND LIABILITIES BY MATURITY

(see point 11.6 of the accompanying notes)

ASSETS

billions of Italian Lire

Duration	Caption	Amounts as at	
		31.12.94	31.12.93
Amounts due on demand	1.1 Treasury certificates that can be refinanced	0.6	113.1
	1.2 Due from banks	4,166.7	2,751.5
	1.3 Loans to customers	2,951.4	6,432.0
	1.4 Bonds and other debt securities	0.7	213.7
		7,119.4	9,510.3
	1.5 "Off-balance sheet" transactions	681.7	510.1
		7,801.1	10,020.4
Up to 3 months	1.1 Treasury certificates that can be refinanced	974.8	1,352.1
	1.2 Due from banks	27,770.2	26,376.0
	1.3 Loans to customers	21,867.5	25,832.1
	1.4 Bonds and other debt securities	744.2	191.9
		51,356.7	53,752.1
	1.5 "Off-balance sheet" transactions	25,694.5	15,059.6
		77,051.2	68,811.7
Between 3 and 12 months	1.1 Treasury certificates that can be refinanced	2,005.1	4,892.6
	1.2 Due from banks	6,594.6	5,036.5
	1.3 Loans to customers	5,369.7	6,627.1
	1.4 Bonds and other debt securities	3,950.3	511.9
		17,919.7	17,068.1
	1.5 "Off-balance sheet" transactions	34,289.3	18,797.6
		52,209.0	35,865.7
Between 1 and 5 years	1.1 Treasury certificates that can be refinanced	1,526.7	5,123.1
	1.2 Due from banks	809.5	633.1
	1.3 Loans to customers	4,890.1	3,863.2
	1.4 Bonds and other debt securities	6,503.0	968.8
		13,729.3	10,588.2
	1.5 "Off-balance sheet" transactions	10,276.7	10,599.9
		24,006.0	21,188.1
Over 5 years	1.1 Treasury certificates that can be refinanced	1,584.1	3,449.2
	1.2 Due from banks	303.9	540.9
	1.3 Loans to customers	2,018.5	1,833.8
	1.4 Bonds and other debt securities	2,275.5	856.3
		6,182.0	6,680.2
	1.5 "Off-balance sheet" transactions	2,747.1	4,898.5
		8,929.1	11,578.7
Unspecified	1.1 Treasury certificates that can be refinanced	—	—
	1.2 Due from banks	3,548.3	3,887.6
	1.3 Loans to customers	1,206.9	769.2
	1.4 Bonds and other debt securities	0.3	—
		4,755.5	4,656.8
	1.5 "Off-balance sheet" transactions	—	—
		4,755.5	4,656.8
TOTAL	1.1 Treasury certificates that can be refinanced	6,091.3	14,930.1
	1.2 Due from banks	43,193.2	39,225.6
	1.3 Loans to customers	38,304.1	45,357.4
	1.4 Bonds and other debt securities	13,474.0	2,742.6
		101,062.6	102,255.7
	1.5 "Off-balance sheet" transactions	73,689.3	49,865.7
		174,751.9	152,121.4

ANALYSIS OF ASSETS AND LIABILITIES BY MATURITY

(see point 11.6 of the accompanying notes)

LIABILITIES

billions of Italian Lire

Duration	Caption	Amounts as at	
		31.12.94	31.12.93
Amounts due on demand	2.1 Due to banks	4,070.9	3,716.3
	2.2 Due to customers	23,455.3	23,402.4
	2.3 Securities issued	- certificates of deposit	143.8
		- other securities	541.7
	2.4 Subordinated liabilities	—	—
	2.5 "Off-balance sheet" transactions	28,211.7	27,774.8
Up to 3 months	2.1 Due to banks	33,210.2	34,400.1
	2.2 Due to customers	7,098.9	7,339.4
	2.3 Securities issued	- certificates of deposit	7,001.9
		- other securities	—
	2.4 Subordinated liabilities	—	—
	2.5 "Off-balance sheet" transactions	47,311.0	47,613.9
Between 3 and 24 months	2.1 Due to banks	14,135.8	16,262.6
	2.2 Due to customers	996.9	700.9
	2.3 Securities issued	- certificates of deposit	3,812.3
		- other securities	40.7
	2.4 Subordinated liabilities	—	—
	2.5 "Off-balance sheet" transactions	18,985.7	21,524.9
Between 24 months and 5 years	2.1 Due to banks	132.6	49.3
	2.2 Due to customers	581.9	84.2
	2.3 Securities issued	- certificates of deposit	1,302.2
		- other securities	—
	2.4 Subordinated liabilities	—	—
	2.5 "Off-balance sheet" transactions	2,016.7	1,740.5
Over 5 years	2.1 Due to banks	30.4	73.9
	2.2 Due to customers	75.2	74.8
	2.3 Securities issued	- certificates of deposit	—
		- other securities	71.6
	2.4 Subordinated liabilities	1,976.8	1,478.9
	2.5 "Off-balance sheet" transactions	2,082.4	1,699.2
Unspecified	2.1 Due to banks	4,947.7	5,299.1
	2.2 Due to customers	—	—
	2.3 Securities issued	- certificates of deposit	—
		- other securities	—
	2.4 Subordinated liabilities	—	—
	2.5 "Off-balance sheet" transactions	—	—
TOTAL	2.1 Due to banks	51,579.8	54,502.2
	2.2 Due to customers	32,208.2	31,601.7
	2.3 Securities issued	- certificates of deposit	12,260.3
		- other securities	582.4
	2.4 Subordinated liabilities	1,976.8	1,478.9
	2.5 "Off-balance sheet" transactions	98,607.5	100,353.3
		74,603.2	50,498.2
		173,210.7	150,851.5

TAX STATUS OF THE RESERVES REPORTED IN THE APPROVED FINANCIAL STATEMENTS FOR 1993, PER ART. 105.7 OF PRESIDENTIAL DECREE NO. 917 DATED 22 DECEMBER 1986

Italian Lire

Reserves	Column 1	Column 2	Column 3	Column 4	Column 5
SHARE PREMIUM RESERVE					477,500,000,000
Total					477,500,000,000
RESERVES					
a) Legal reserve	73,000,000,000	87,000,000,000			
Total	73,000,000,000	87,000,000,000			
b) Statutory reserves	75,000,000,000	1,814,500,000,000			
Total	75,000,000,000	1,814,500,000,000			
c) Other reserves					
Taxed reserve, Law No. 823/73		46,964,490,853			
Spin-off reserve, Law No. 218/90		48,843,563,025		577,713,775,735	
Reserve for gains reinvested following disposal of investments, Law No. 169/83 Art. 1				15,049,514,900	
Total		95,808,053,878		592,763,290,635	
Total (a+b+c)	148,000,000,000	1,997,308,053,878		592,763,290,635	
REVALUATION RESERVES					
Monetary revaluation reserve, Law No. 72/83				26,094,288,318	
Property revaluation reserve, Law No. 413/91				476,642,911,456	
Total				502,737,199,774	
RETAINED EARNINGS		467,037,497			
Total		467,037,497			
TOTAL	148,000,000,000	1,997,775,091,375		1,095,500,490,409	477,500,000,000

Columns:

- 1 - Reserves already in existence at the end of the financial year ended prior to 1 December 1983 or formed from income or other sources arising during that year, except for those included in columns 4 and 5; which, in the case of distribution, would be subject to an equalisation tax of 15% (as per Paragraph 7, point (b)).
- 2 - Reserves formed from income or other sources arising during or after the year in progress on 1 December 1983 and already subjected to IRPEG (Corporate Income Tax) at the standard rate; which, in the case of distribution, would not be subject to equalisation taxes (as per Paragraph 7, point (a)).
- 3 - Reserves formed from income or other sources arising during or after the year in progress on 1 December 1983 and not already subjected to IRPEG (Corporate Income Tax), except for those included in columns 4 and 5; which, in the case of distribution, would be subject to equalisation taxes at 56.25% (as per Paragraph 7, point (c)).
- 4 - Reserves which on distribution would form part of the taxable income of the Bank, regardless of the year in which they were formed; and therefore not subject to equalisation taxes (as per Paragraph 7, point (d)).
- 5 - Reserves which on distribution would not form part of the taxable income of the shareholders, regardless of the year in which they were formed; and therefore not subject to equalisation taxes (as per Paragraph 7, point (e)).

PROPERTY

Location of property	Area (sq. m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.91
ABBADIA SAN SALVATORE									
Monte Amiata	15	448,250				760,684	1,208,934	55,054	693,880
ABBIATE GRASSO									
Piazza Castello 3/12	1,277	2,060,228,382				1,340,195,499	3,400,423,881	771,823,890	2,628,599,991
ACIREALE									
Piazza Duomo 15	377	110,000,000		104,400,000	243,600,000	372,028,365	830,028,365	265,3386,553	564,691,812
ACQUI TERME									
Piazza ITALIA 12	1,400	11,086,098				426,938,907	438,025,005	47,474,358	3390,563,647
AGRIGENTO									
Via S. Giuseppe (Montaperto)	180	306,000,000					306,000,000	6,885,000	299,115,000
Strada Statale 115 n 228	315	255,000,000					255,000,000	11,475,000	243,525,000
Land at Fegotto	2,050	219,300,000					219,300,000		219,300,000
ALASSIO									
Viale Gibb 28	280	347,651			307,652,349	267,870,341	575,870,341	135,335,981	440,534,360
ALESSANDRIA									
Piazzetta Lega Lombarda 1	3,811	165,000,000		579,000,000		874,354,838	1,618,345,838	560,494,245	1,057,851,593
Via De Giorgi 18	200	85,753,582					85,753,582	9,004,125	76,749,457
ANCONA									
Corso Garibaldi 2/6	2,737	396,786,810		714,706,450		1,466,231,787	2,577,725,047	761,809,517	1,815,915,530
AREZZO									
Corso Italia 147	1,400	176,065		335,935,000	555,000,000	1,101,839,550	2,168,839,550	607,576,911	1,561,262,639
ARTIGNANO									
Viale Vicenza - Via Battisti	1,108	1,487,088,945				610,060,554	2,097,149,499	411,806,795	1,585,342,704
ASCOLI PICENO									
Via Napoli 65	891	2,001,766,422				8,404,239	2,010,170,661	391,100,832	1,619,069,829
ASTI									
Corso Alfieri 267	1,480	242,554,583			868,445,417	1,109,383,197	2,220,383,197	643,796,071	1,576,587,126
AVELLINO									
Viale Italia 50	1,342	470,973,908			991,026,092	1,598,804,121	3,060,804,121	952,796,715	2,108,007,406
BARI									
Via Extramurale Capruzzi 86	420	274,000		193,326,000	201,400,000	403,171,940	798,171,940	219,357,934	578,814,006
Via Putignani 98	5,253	597,289,801			9,179,710,199	8,753,905,903	18,530,905,903	4,514,265,686	14,016,640,217
Via Putignani 98	815	138,520,542				1,711,517,585	1,850,038,127	43,847,718	1,806,190,409
BERGAMO									
Piazza Vitt. Veneto 5	3,587	3,805,000				1,057,537,051	1,061,342,051	99,325,786	962,011,265
BIELLA									
Via Tonno 68	354	38,520,540		67,079,460	214,400,000	321,291,009	641,291,009	177,013,418	464,277,591
Via Italia - Piazzetta S. Marta	2,041	129,706,706		593,493,294	856,800,000	1,698,267,399	3,278,267,399	975,984,365	2,302,283,034
BOLLATE									
Piazza C. Marx 2	796	551,507,470			179,492,530	904,614,4336	1,635,614,436	559,663,213	1,075,951,223
BOLOGNA									
Via Bellaria 37	369	85,956,386		99,955,000	282,000,000	468,473,110	936,384,496	257,782,178	678,602,318
Via Ferrarese 12	342	95,000,000		96,200,000	301,800,000	499,651,451	992,651,451	274,950,632	717,700,819
Via Emilia Ponente 12	1,080	1,436,352,483				1,076,986,183	2,513,338,666	641,437,146	1,871,901,520
Via Monte Grappa 5	6,451	1,784,628,845		1,056,580,520	2,758,624	2,859,966,945	5,703,934,934	2,019,251,241	3,684,683,693
Via Rizzoli 12/18	3,960	232,140,843	832,140,157			7,709,025,478	8,773,306,478	954,759,425	7,818,547,053

* Investment of caption 70 "Provisions for employee termination indemnities"

Area of property	Area (sq.m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.94
NO									
Piazza Walter 4/5	2,036	196,310,440		3389,289,560	1,782,400,000	2,325,913,526	4,693,913,526	1,296,896,761	3,397,016,765
MANERO									
Sciacchi 15-22-Via S. Giovanni	752	260,294,200			331,705,800	634,815,806	1,226,815,806	368,347,980	858,467,826
SESSIA									
San d'Aosta 2 - Via V. Veneto	783	287,450,000			317,550,000	627,952,843	1,232,952,843	348,280,255	884,672,588
San L. Emanuele	194	54,237,800			104,000,000	151,652,738	309,890,538	105,026,546	204,863,992
ONE									
San Baldi 46	1,418	1,997,479,027				1,393,427,524	3,390,906,551	1,413,995,061	1,976,911,490
A									
C. Battisti 10	434	75,000,000		93,000,000	285,000,000	470,860,191	923,860,191	271,112,418	652,747,773
Settembre 38	330	118,200,000			351,800,000	448,297,953	918,297,953	237,914,817	680,383,136
Castello	3,510	1,457,273,195			4,404,726,805	5,838,650,911	11,700,650,911	3,239,071,776	8,461,579,135
I									
Sanribaldi 115	2,503	128,678,901				1,103,892,296	1,232,571,197	299,846,719	1,002,724,478
SAIRES									
Cornentes 327	91	36,000,000			11,000,000	54,114,632	101,114,632	31,510,317	69,604,315
ARSIZIO									
Sanma - Via Giussano	2,273	6,108,373,870				1,804,701,738	7,913,075,608	1,628,432,884	6,284,642,724
RI									
Sanastir ang. Viale Elmas	469	931,220,394				221,881,475	1,153,101,869	327,272,064	825,829,805
Felice 27	2,675	558,277,690		411,295,000	2,624,800,000	3,589,365,335	7,183,729,025	1,989,515,201	5,194,213,824
San 80	500	936,407,512				287,823,050	1,224,230,562	334,918,551	889,312,011
ERRA									
Sanerra	10	440,885				748,186	1,189,071	547,901	641,170
BASSO									
Sanbaldi 21	930	2,570,946,067				296,306,509	2,867,252,576	525,827,496	2,341,425,080
NO ang. Via Borgognone									
San Settembre - Via Matteotti	1,332	694,710,005			260,289,995	1,166,020,495	2,121,020,495	718,491,247	1,402,529,248
TE SAN GERVASIO									
Saneneto 42	1,173	2,249,206,178				1,005,907,256	3,255,113,434	789,846,379	2,465,267,005
NO ang. Via Dallai									
Sanbaldi ang. Via D'Azeglio	1,178	150,000,000		134,000,000		346,659,074	630,659,074	278,729,316	351,292,758
MONFERRATO									
Sanmo 1 - Piazza Mazzini	3,771	732,225,738				1,046,170,390	1,778,396,128	460,717,600	1,317,678,528
A									
Saneste ang. Piazza A. Moro	1,039	5,392,890,256				565,077,756	5,957,968,012	1,095,180,983	4,862,787,029
A									
Sanoni 10/C - Via Matteotti	653	596,491,555		59,327,445	203,160,000	393,203,912	1,252,182,912	227,316,501	1,024,866,411
PRIMO									
San' 2	440	2,322,660				3,941,576	6,264,236	2,886,441	3,377,795

Location of property	Area (sq.m.)	Cost	Revaluation. Law No. 823 of 19 Dec. 1973	Revaluation. Law No. 576 of 2 Dec. 1975	Revaluation. Law No. 72 of 19 March 1983	Revaluation. Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.1999
CASTELAMMARE DI STABIA									
Via E. Gaeta 2	1,043	5,355,881		138,644,119	289,000,000	424,832,456	857,832,456	228,586,071	629,246,385
CATANIA									
Piazza Università' 20	528	134,600			589,865,400	512,544,789	1,102,544,789	258,663,632	843,881,157
Via Etnea 292	150	20,155,960		121,44,040	140,400,000	304,622,363	586,622,363	174,595,220	412,027,143
Corso Sicilia 36	2,928	746,933,917			3,301,000,000	3,911,203,546	7,959,137,463	2,227,432,425	5,371,705,038
Corso Sicilia 40	1,543	254,213,547				3,161,677,435	3,415,890,982	244,085,785	3,171,805,197
CERIGNOLA									
Corso Garibaldi 55	1,116	59,190,434				389,220,325	448,410,759	92,484,9332	355,925,826
CERVINIA BREUIL									
Via des Jumeaux	135	40,000,000			190,000,000	222,907,165	452,907,165	122,061,645	330,845,520
CESENA									
Corso Sozzi 2	928	300,000,000				445,248,266	745,248,266	338,505,282	406,742,984
CHIAVARI									
Corso Garibaldi 2	2,915	8,391,373				2,516,258,776	2,524,650,149	120,622,168	2,404,027,981
CHIERI									
Via Battisti 4 - Via Roma	550	1,304,624,720				468,520,788	1,773,145,508	433,554,289	1,339,590,419
CINISELLO BALSAMO									
Via Libertà 86	957	2,106,520,816				877,497,739	2,984,018,555	774,126,663	2,209,891,892
CITTADELLA									
Via B. Vicenza - V. Fanoli	1,023	1,658,865,590				578,243,101	2,237,108,691	599,467,527	1,637,641,164
CIVITAVECCHIA									
Largo Cavour 14	901	416,169,761		142,336,839	341,488,000	553,071,782	1,453,066,382	325,371,788	1,127,694,594
COMO									
Piazza Cavour 10	4,376	581,648,744				3,920,035,090	4,501,683,834	751,994,183	3,749,689,651
CONEGLIANO									
Corso Mazzini 2	170	45,000,000			98,000,000	156,579,057	299,579,057	97,747,116	201,831,941
COSENZA									
Corso Mazzini 127	947	247,000,000			436,000,000	727,193,448	1,410,193,448	420,892,409	989,301,039
CREMONA									
Piazza Roma 22	1,525	254,445,031				907,272,868	1,161,717,899	292,700,757	869,017,142
CROTONE									
Corso Vittorio Veneto	1,125	2,539,242,000					2,539,242,000	38,088,630	2,501,153,370
CUNEO									
Via Marconi ang. Via Garibaldi	1,943	33,299,908,667		131,530,091	279,428,000	1,554,380,213	5,265,246,971	1,239,964,977	4,025,281,994
DESENZANO DEL GARDA									
Via Marconi ang. Via Garibaldi	720	1,129,917,441				467,409,418	1,597,326,859	454,446,625	1,142,870,226
DOMODOSSOLA									
Corso Ferraris 21-25	1,245	329,819,790		933,800,000	434,380,210	986,588,569	1,844,588,569	597,178,251	1,247,410,318
EMPOLI									
Via del Giglio ang. Via Ridotti	1,080	43,692,725				74,146,962	117,839,687	54,298,298	633,541,112
FAENZA									
Corso Mazzini 5	537	977,236			398,022,764	347,592,388	746,592,388	175,900,552	570,691,836
FERRARA									
Corso Martin della Libertà' 51	2,287	2,883,733				679,680,975	682,564	64,228,474	618,302,501

* Investment of caption 70 "Provisions for employee termination indemnities"

of property	Area (sq. m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.94
in 57	1,388	16,463,169				701,942,164	718,405,333	76,173,429	642,231,904
Montelupo 32E	693	50,000,000			170,000,000	214,771,503	434,771,503	117,279,435	317,492,068
opa 1	394	1,316,069,519			100,000,000	168,303,395	1,584,372,914	158,676,396	1,425,696,518
Croce 35R	465	5,097,630				644,137,789	649,235,419	35,662,980	613,572,439
doni 26R	675	7,459,980				553,414,086	560,874,066	42,795,045	518,079,021
ecchiotti 11	7,633	2,300,628		1,813,251,372		2,612,923,411	4,428,475,411	1,241,809,712	3,186,665,699
eccana 6r	415	1,821,068,200				878,321	1,821,946,521	245,923,257	1,576,023,264
aribaldi 1	1,284	20,599,431		337,800,569	386,600,000	762,407,440	1,507,407,440	418,683,719	1,088,723,721
lla Repubblica 21	1,3342	411,000,000		173,000,000	714,000,000	1,142,611,347	2,440,611,347	903,135,020	1,537,476,327
ATE									
oni 4	3,298	1,162,000				405,714,301	406,876,301	34,807,933	372,068,368
astaldi ang. Via Corridoni	470	143,500,000			259,500,000	398,697,365	801,697,365	215,402,763	586,294,602
ardegna 109R	74	3,051,949			52,948,051	51,985,529	107,985,529	27,890,647	80,094,882
tobre 102R	355	250,198,500			242,801,500	476,878,919	969,878,919	374,270,289	595,908,630
ata Bisagno 60 R	190	592,230,920				778,627,804	1,370,858,724	662,307,422	708,551,302
ica 45R ang. Via N. Bixio	147	209,919,952				256,718,149	466,638,101	179,087,951	287,550,150
uenos Aires 112/118	350	1,658,708,020					1,658,708,020	24,880,620	1,633,827,400
e 1	15,355	9,521,950		4,782,911,435		5,803,394,312	10,595,827,697	2,761,770,969	7,834,056,728
MMARE									
ina	455	125,536,700			262,463,300	292,369,566	680,369,566	222,118,077	458,251,489
otti 81	1,688	81,760,076				240,493,081	322,253,157	107,862,581	214,390,576
tteotti 136	2,500	4,145,943,629				1,792,616,308	5,938,559,937	1,070,719,344	4,867,840,593
tteotti 25	1,961	174,000		321,663,720		2,379,622,786	2,701,460,506	368,785,621	2,332,674,885
eguglia 1-3	1,500	4,213,049,439				3,268,449,956	7,481,499,395	3,377,3345,000	4,104,154,395
IA									
io 67	1,420	717,000		976,584,600		1,090,639,727	2,067,941,327	594,744,639	1,473,196,688
on Bosco ang. Via	1,700	1,172,322,320			635,677,680	2,179,712,032	3,987,712,032	1,550,447,447	2,437,264,555
sto Imperatore 33	1,939	1,058,458				537,595,569	538,654,027	49,537,321	489,116,706
aribaldi 6	1,321	289,826,558		362,173,442	790,000,000	1,682,657,588	3,124,657,588	1,036,442,163	2,088,215,425
Magno 21	1,946	179,680,560				942,392,894	1,122,073,454	240,713,112	881,360,3342
Stazione	117	22,800,000			68,200,000	84,110,270	175,110,270	51,175,924	123,934,346
Complex	21,800	11,991,530,025			4,780,519,515	19,603,594,406	36,375,643,946	11,830,694,796	24,544,949,150

Location of property	Area (sq.m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.92
LIVORNO									
Via Marradi 19	320	95,000,000			213,000,000	329,129,966	637,129,966	198,926,697	438,203,269
Via Cairoli 51	8,064	359,076,861				6,678,940,470	7,038,017,331	887,501,898	6,150,515,433
LONATE POZZOLO									
Piazza S. Ambrogio	185	20,000,000			156,000,000	167,963,993	343,963,993	93,776,760	250,187,233
LUCCA									
Piazza S. Michele 2	1,677	101,919,028		234,880	972	863,200,000	1,183,3913	658,520,83332	1,724,871,167
LUMEZZANE									
Via Monsueto 16C	959	347,175,553			426,824,447	890,549,932	1,664,549,932	542,811,310	1,121,738,622
MONDURIA									
Piazza Garibaldi 16	711	20,819,501		147,180,499	179,000,000	365,000,000	365,6133,077	205,392,582	507,220,495
MANERBIO									
Via Cremona 33	1,260	315,000,000			454,000,000	878,531,741	1,647,531,741	535,457,856	1,112,073,885
MANTOVA									
Via Principe Amedeo 19-21-23	1,900	1,273,735,768				1,252,0336,831	2,525,772,599	590,198,740	1,935,573,859
MARSALA									
Via Curatolo 12/14	175	3433,764,842					343,764,842	98,183,609	245,581,233
Via XI Maggio	1,300	4,512,200,000					4,512,200,000	203,049,000	4,309,151,000
MESSINA									
Viale della Libertà	430	169,493,370			206,506,630	424,677,73335	800,677,735	254,937,814	545,739,919
Piazza Cairoli 48	4,359	1,700,722,172			1,911,277,828	3,834,016,358	7,446,016,358	2,258,514,269	5,187,502,089
Piazza Cairoli 48*	2,141	600,000,000				2,436,517,309	3,036,517,309	377,875,933	2,658,641,376
MESTRE									
Piazza XXVII Ottobre	2,962	720,000,000			1,428,000,000	2,156,559,440	4,304,559,440	1,186,970,3349	3,117,589,100
Viale Garibaldi 52/D	174	32,000,000			143,000,000	169,3391,477	3344,391,477	92,485,2332	251,906,245
MILANO									
S. Elia Complex	77,950	164,475,052,497				36,381,077,302	200,856,129,799	30,131,266,923	170,724,862,574
Via Bianca di Savoia Complex	25,485	17,500,000,000			10,688,000,000	36,708,867,024	64,896,867,024	23,951,478,033	40,945,381,991
Viale Eginardo complex	14,864	3,901,500,000				3,485,699,563	7,387,199,563	1,425,640,461	5,961,559,102
Corso Buenos Aires 1	1,057	11,894,663				1,617,113,255	1,629,007,918	158,505,377	1,470,502,581
Corso Europa	540	581,723,000			836,277,000	1,608,523,074	3,608,523,074	1,012,472,591	2,014,050,483
Corso Lodi 110	390	90,000,000			479,000,000	567,559,775	1,136,559,775	333,770,379	802,789,396
Corso XXII Marzo 33	455	160,000,000			173,000,000	620,017,328	1,253,017,328	338,081,560	940,935,768
Largo Donegani 3	351	960,354,500				954,258,673	1,914,613,173	502,196,957	1,412,416,716
Piazza Bausan 10	464	87,000,000		113,000,000	448,000,000	666,085,141	1,314,085,141	387,862,662	926,222,479
Piazzale Cadorna 15	860	23,711,425				563,473,574	587,184,999	76,558,075	510,625,924
Via C. Correnti 1	438	270,000,000			667,000,000	941,567,651	1,878,567,651	572,248,590	1,306,319,061
Via Farini 75	633	3,994,257,000					3,994,257,000	419,396,985	3,574,860,015
Via Modestino 3	437	194,230,500		221,769,500	387,000,000	851,319,668	1,654,319,668	478,308,740	1,176,010,928
Via Pirelli 5	815	1,826,826,900				2,151,905,863	33,978,768,763	1,234,983,381	2,743,782,482
Via Stradella 2	617	16,265,054				223,810,384	240,075,4338	36,791,504	203,283,880
Viale Certosa 125	413	61,000,000		114,200,000	384,800,000	563,991,560	1,123,991,560	327,911,338	796,080,222
Viale F. Testi ang. Piazzale Istria	404	3,196,542,000					3,196,542,000	239,740,650	2,956,801,350
Piazza Anita Garibaldi 133	687	301,396,100			332,603,900	698,033,926	1,332,033,926	408,607,5333	923,426,392
Piazzale Udine 5	295	696,668,950				121,702,585	818,371,535	125,903,608	692,467,927
Corso Concordia 2	1,892	23,734,756				1,795,202,274	1,818,937,030	137,476,531	1,681,460,499
Corso Sempione 95	2,709	28,250,000				2,257,403,807	2,285,653,807	142,654,970	2,142,998,837
Corso S. Gottardo 2	1,39333	92,071,039			1,776,5339	1,652,440,291	3,521,050,330	868,934,434	2,652,115,896
Piazza XXIV Maggio *	6,329	934,412,226				11,849,411,0338	12,783,823,264	351,592,457	12,432,230,807
Piazzale Loreto 7/9	1,098	162,400,3368			1,401,706,102	1,616,591,965	3,180,698,435	855,650,400	2,325,048,035
Piazzale Loreto 7/9*	5,541	403,640,283				12,641,255,355	13,044,895,638	310,351,998	12,734,543,639
Piazza Cordusio	38,537	43,908,506,438	7,026,865,447			23,676,909,593	74,612,281,478	13,873,610,317	60,738,671,161
Via Annunciata 2*	3,866	1,215,925,795			545,400,820	11,211,894,013	12,9733,220,628	1,108,693,958	11,864,526,070
Via Broletto 16	7,7332	6,055,187,113	33,405,212,307			8,282,824,586	17,743,224,006	3,918,804,092	13,824,419,914

* Investment of caption 70 "Provisions for employee termination indemnities"

Area of property	Area (sq.m.)	Cost	Revaluation Law No. 823 of 19 Dec. 1973	Revaluation Law No. 576 of 2 Dec. 1975	Revaluation Law No. 72 of 19 March 1983	Revaluation Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31/12/94
Etto 26	1,435	12,091,361				2,449,506,525	2,461,597,613	67,964,699	2,393,632,914
agni 1	1,451	8,560,948				411,060,486	419,621,434	32,898,121	386,723,313
10-12-14	17,580	29,498,376,165	4,398,227,591		17,107,320,805	24,324,417,834	75,328,342,395	15,895,069,183	59,433,273,212
ospero 1	6,019	10,834,329,052	4,636,802,135			10,339,402,417	25,810,533,604	3,066,129,952	22,744,403,652
si - Via Clerici 13	2,780	33,646,731				5,466,082,767	5,499,729,498	283,063,128	5,216,666,370
LA									
a 102/108	3,441	512,883,325			4,496,116,675	4,576,708,561	9,585,708,561	2,462,449,650	7,123,258,911
aang. Via Farini 5/7	229	86,690,426				489,409,215	576,099,641	59,651,106	516,448,535
TA									
gherita di Savoia 81	516	6,574,176		125,425,824	205,000,000	338,706,690	675,706,690	184,717,204	490,989,486
VI'									
Pietro 2 bis	422	40,000,000			218,102,981	240,310,684	498,413,665	126,729,631	371,684,034
BELLUNA									
mazia 8-1012	842	1,865,116,088				725,280,113	2,590,396,201	624,810,039	1,965,586,162
oma 1	2,227	3,713,000				6,300,996	10,013,33,996	4,614,260	5,399,736
RA									
Martiri della Liberta' 10/12	1,945	37,313,386				7336,341,260	773,654,646	81,736,636	691,918,010
Direzionale									
ia 14	835	6,265,845,843				303,022,536	6,568,868,379	295,599,077	6,273,269,302
avour 16-18	675	1,747,028,000			181,000,000	418,507,454	2,346,535,454	251,750,672	2,094,784,782
aribaldi 1/2	323	250,000,000			484,000,000	782,201,506	1,516,201,506	454,638,135	1,061,563,371
ercato 127/128	134	361,086			154,638,914	135,009,264	290,009,264	68,311,920	221,697,344
ellina	169	16,200,000		75,400,000	151,400,000	252,159,613	495,159,613	142,208,364	352,951,249
ardi 18/D	263	125,000,000			418,000,000	548,318,684	1,091,318,684	315,453,683	775,865,001
ze 43	7,800	2,339,283,299		1,990,284,169	8,234,101,532	12,201,943,846	24,765,612,846	6,564,589,900	18,201,022,946
	1,991	93,731,753				159,063,658	252,795,411	116,483,339	136,3312,072
A INFERIORE									
mendola 16	1,294	577,182,791				523,391,868	1,100,574,659	279,516,096	812,058,563
A									
avour 6	3,063	2,711,277		909,288,723		1,239,777,210	2,151,777,210	562,965,317	1,588,811,893
BURE									
dengo 26	1,886	145,156,287		232,443,713		676,352,651	1,053,952,651	277,428,062	776,524,589
LO									
mberto 1 77	1,123	88,865,802		167,934,198	404,200,000	676,891,833	1,337,891,833	407,165,619	930,726,214
azzini 73	376	10,719,186		129,280,814	349,000,000	430,140,107	919,140,107	252,620,763	666,519,344
ati Uniti 14E									
ang. Via Berchet	446	984,056,559				451,321,649	1,435,378,208	365,357,622	1,070,020,586
rmo 1	4,507	5,278,623,195				6,099,619,326	11,378,242,521	3,511,700,587	7,866,541,934
	1,246	607,881		428,399,159		493,574,300	922,581,340	277,171,531	645,409,809
O									
ero Settimo 5/A	583	572,054,270			291,945,730	842,381,500	1,706,381,500	661,440,385	1,044,941,115
ordini ang. Via La Fanna	416	125,500,000		210,500,000	262,000,000	674,811,263	1,272,811,263	409,950,514	862,860,749
314	8,590	4,890,432				2,359,267,680	2,364,158,112	217,664,661	2,146,493,451
DI MONTECHIARO									
1	1,184	867,000,000					867,000,000	39,015	827,985,000
entino 319	26	91,800,000					91,800,000	4,131,000	87,669,000
ndola 202	85	204,000,000					204,000,000	9,180,000	194,820,000
berti	178	204,000,000					204,000,000	4,590,000	199,410,000
Gibildolce	180	96,900,000					96,900,000		96,900,000
Orti	62	91,800,000					91,800,000	4,131,000	87,669,000

ment of caption 70 "Provisions for employee termination indemnities"

Location of property	Area (sq.m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.1991
PARIGI									
Avenue de Messine 18	360	205,000,000				265,112,785	470,112,785	156,791,090	313,321,695
Quai d'Orsay 93	223	22,813,297				15,941,214	38,754,511	22,813,297	15,941,214
PARMA									
Strada della Repubblica 4	3,022	780,230,000			1,463,770,000	2,494,137,518	4,738,137,518	1,500,542,378	3,237,595,140
PATERNO'									
Via Vitt. Emanuele 57/59/61	291	269,789,280				287,892,911	557,682,191	192,114,696	365,567,495
PAVIA									
Corso Mazzini 1 A	1,213	350,000,000		347,600,000	928,400,000	1,784,181,691	3,410,181,691	1,086,682,353	2,323,499,338
PERUGIA									
Via XX Settembre	1,631	1,118,017,362			247,300,000	1,526,084,905	2,891,402,267	858,008,414	2,033,393,853
PESARO									
Via Banca 83,85,87	1,695	4,262,432,660				493,514,121	4,755,946,781	464,413,059	4,291,533,722
PESCARA									
Corso Umberto 51	1,170	383,450,000			775,550,000	1,186,195,038	2,345,195,038	682,766,053	1,562,428,985
Via Conte di Ruvo 46	137	38,000,000			96,000,000	109,277,418	243,277,418	77,264,969	166,012,449
PIACENZA									
Largo C. Battisti 26	2,191	330,521,358			1,425,478,642	1,716,668,166	3,472,668,166	945,581,493	2,527,086,673
PISA									
Piazza Garibaldi 12 R	2,647	272,202,487				4,077,395,227	4,349,597,714	605,260,375	3,744,337,339
PISTOIA									
Corso S. Fedi 95	1,320	225,000,000			679,000,000	890,796,796	1,794,796,796	495,286,712	1,299,510,084
PRATO									
Via Valentini ang. Via Simintendi	4,348	810,884,479			1,392,000,000	2,352,522,140	4,555,406,619	1,364,366,199	3,191,040,420
Via Valentini ang. Via Simintendi*	1,283	396,294,826				1,410,136,589	1,806,431,415	198,245,361	1,608,186,055
RAVENNA									
Via Rasponi ang. Via Zirardini	1,183	378,000,000		230,000,000	718,000,000	1,476,388,123	2,802,388,123	903,964,932	1,898,423,191
REGGIO DI CALABRIA									
Via Cattolica dei Greci	996	9,585,852		507,214,148		668,265,716	1,185,065,716	320,639,497	864,426,219
REGGIO NELL'EMILIA									
Via Emilia S. Stefano 18 E	1,278	1,526,710,094			723,000,000	1,392,287,636	3,641,997,457	832,679,134	2,809,318,323
RHO									
Via Madonna ang. Corso Europa	985	501,387,200			247,612,800	895,731,158	1,644,731,158	545,796,813	1,098,934,345
RIMINI									
Piazza Tre Martiri 33	1,951	310,507,200		398,887,520		1,052,530,231	1,761,924,951	462,428,287	1,299,496,664
RIVOLI									
Corso Francia 7	1,060	496,634,870			287,365,130	923,803,045	1,707,803,045	559,069,873	1,147,733,172
ROMA									
Autorimessa Via Aurelia 429	327	20,000,000			66,000,000	247,613,624	333,613,624	67,545,227	266,068,397
Circonvallazione Cornelia 130	402	70,000,000		86,312,000	252,688,000	419,996,549	828,996,549	234,315,208	594,681,341
Piazza Istina 5	355	166,020,000		120,940,000	279,040,000	630,479,989	1,196,479,989	378,978,300	817,501,689
Piazza Mazzini 13	281	67,679,462				81,589,229	149,268,691	81,113,645	68,155,046
Piazzale Ciodio 65	371	96,000,000		69,640,000	278,360,000	482,569,955	926,569,955	296,135,697	630,434,258
Via Boncompagni 16 D	731	31,124,550		258,475,450	464,400,000	768,989,189	1,522,989,189	426,053,426	1,096,935,763
Via Casilina 995	1,150	340,600,000			605,400,000	937,172,397	1,883,172,397	506,649,516	1,376,522,881
Via F. Grimaldi 43/45	583	538,898,804			224,101,196	926,238,162	1,689,238,162	568,212,049	1,121,026,113
Via Galimberti 16	668	74,000,000				110,860,128	184,860,128	90,637,412	94,222,716
Via Nomentana 38	20	8,292,341			34,707,659	36,837,421	79,837,421	27,087,710	52,749,711
Via Presentina 357 L-359	979	497,847,520		103,408,000	234,592,000	687,341,864	1,523,187,384	387,945,594	1,135,241,790
Via Ramazzini 141	478	115,598,300			285,401,700	394,991,217	795,991,217	215,166,701	580,824,516
Piazza Crivelli ang. Via Bertossi	1,204	330,589,552			446,410,448	895,906,121	1,672,906,121	548,787,596	1,124,118,525
Via Albormoz 23- 27-29-31	2,024	78,845,270		112,467,530	351,687,200	592,959,744	1,135,959,744	351,309,88	784,649,864

* Investment of caption 70 "Provisions for employee termination indemnities"

of property	Area (sq.m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.94
di Rienzo 168	253	3,165,905		255,554,095	226,280,000	503,766,465	988,766,465	276,771,248	711,995,217
orso (Bianchelli)	466	928,838	240,181,162			409,165,916	650,275,916	299,634,831	350,641,085
Fiscali 231	777	170,000,000			392,000,000	556,808,722	1,118,808,722	304,282,786	814,525,936
o 49 ang. Via Monza	679	2,635,032,900				922,515,096	3,557,547,996	573,233,539	2,982,314,457
e 72	105	336,020,000					336,020,000	5,040,300	330,979,700
-cce 8	435	31,640,340		114,839,660	243,520,000	404,297,167	794,297,167	229,768,415	564,528,752
agora 10/11	1,209	339,110,759				2,130,183,321	2,469,294,080	471,241,234	1,998,052,846
elli'Industria 46	41,892	46,311,154,797				41,147,712,517	87,458,867,314	19,383,430,534	68,075,436,780
elli'Industria 46*	4,995	9,959,993,195				8,858,137,970	18,818,131,165	2,645,37,120	16,172,756,045
orso (Verospi)	33,808	756,000	3,214,044,000			5,455,545,552	8,670,345,552	3,995,121,101	4,675,214,451
ni 5	2,145	197,391,558				1,225,736,958	1,423,128,516	268,922,815	1,154,505,701
ardia 107	850	3,493,189,886				272,726,181	3,765,916,067	705,329,145	3,060,586,922
ANNI A TEDUCCIO									
Giovanni 294	237	10,529,583			133,470,417	136,621,769	280,621,769	74,665,542	205,956,227
. Emanuele	798	58,657,453		269,822,547	300,520,000	694,174,823	1,323,174,823	404,235,920	918,938,903
DARENA									
-re 135 R	334	165,000,000			156,000,000	368,545,503	689,545,503	221,154,095	467,391,408
ierdarena	2,575	485,652				701,073,580	701,559,232	62,268,402	639,290,830
CO ARGENTANO									
tembre 1	972	811,090,672					811,090,672	36,499,080	774,591,592
n (ex Sciancarelli)	280	179,367,750					179,367,750		179,367,750
LO									
aulista 923/925	441	351,298,438				367,794,3381	719,092,819	187,252,002	531,840,817
tti 102	2,107	511,539		387,595,202		426,109,366	814,216,107	228,541,769	585,674,338
ERO									
ppublica 15	982	951,670,993				323,031,241	1,274,702,234	251,907,861	1,022,794,373
ROCE SULL'ARNO									
l Popolo	1,126	570,400,000			491,600,000	1,303,810,262	2,365,810,262	824,790,924	1,541,019,338
ertà ang. Via Mazzini	1,721	190,000,000				470,672,361	660,672,361	150,199,126	510,473,235
ttisti 2-4	1,550	216,702,000		197,738,000	675,560,000	1,134,002,498	2,224,002,498	655,482,205	1,568,520,293
ia 17	190	86,478,670				104,373,097	190,851,767	37,931,538	152,920,229
sto IV ang. Corso Italia	485	533,419,910			86,000,000	424,882,032	1,044,301,942	271,055,390	773,246,552
E									
ggio- Via Modigliani	1,073	368,939,000			367,061,000	815,582,788	1,548,582,788	479,998,662	1,068,584,126
orto I 41	813	2,410,633		247,989,367	379,600,000	626,524,260	1,256,524,260	337,675,584	918,848,676
13	555	1,252,301,369				429,582,703	1,681,884,072	434,010,703	1,247,873,369
PONENTE									
115 R	2,836	69,609,090				3,032,483,546	3,102,092,636	306,609,098	2,795,483,538
TORINESE									
ang. Via Cervino	900	1,838,518,125				1,082,222,617	2,920,740,742	898,009,366	2,022,731,376

Location of property	Area (sq.m.)	Cost	Revaluation, Law No. 623 of 19 Dec 1973	Revaluation, Law No. 576 of 2 Dec 1975	Revaluation, Law No. 72 of 18 March 1983	Revaluation, Law No. 413 of 30 Dec 1987	Gross book value	Accumulated depreciation	Net book value as at 31/12
SIRACUSA									
Via dell'Apollonion 19	1,027	438,000,000				641,660,286	1,079,60,286	411,537,472	568,1
SOMMA LOMBARDO									
Piazza Vittorio Veneto 7	254	40,000,000			201,000,000	229,944,762	470,944,762	138,055,029	332,8
STRESA									
Ponte Radio - Mottarone	15	869,279				1,475,174	2,344,453	1,080,281	1,2
TARANTO									
Via Galeo 1 B	435	64,000,000			125,000,000	194,487,250	383,487,250	109,543,854	273,9
Via Marche 52-58	554	311,123,805			21,876,195	365,897,550	698,897,550	198,5330,781	500,3
Via C. Battisti 85/91	400	249,910,400			224,089,600	395,731,520	869,731,520	348,704,766	521,0
Via De Cesare 46/48	493	38,000,000				345,449,809	383,449,809	22,052,496	361,3
Via De Cesare 42	548	17,254,056				514,684,955	531,939,021	43,177,626	488,7
Via De Tulio 14	1,090	95,000				531,118,151	531,213,151	22,818,956	508,3
Via Margherita 16	2,093	549,194,042		419,290,000		1,112,381,675	2,080,866,077	637,720,919	1,443,1
TEMPIO PAUSANIA									
Piazza d'Italia 17	380	1,378,158,295					1,378,159,295	20,672,389	1,357,4
TERAMO									
Piazza Martiri della Libertà	1,290	3,878,842,433				2,013,974,436	5,892,816,869	1,999,678,075	3,893,1
TERNI									
Corso Tacito 2	614	41,081,750		140,566,250	391,352,000	571,303,843	1,144,303,843	328,298,011	816,0
TORINO									
Corso Francia 2	544	2,165,855,930					2,165,855,930	162,439,195	2,003,4
Corso Regina Margherita 22	382	19,198,550			211,801,450	221,697,701	452,697,701	122,311,343	330,3
Corso Lombardia 237	531	70,000,000				92,410,630	162,410,630	58,190,445	104,2
Via Nizza 66	460	241,987,355				336,675,346	578,662,701	258,74,637	319,9
Via Po 2	670	619,000		157,981,000	313,400,000	459,485,247	931,485,247	245,068,681	686,4
Piazza della Repubblica 3	315	374,000		91,426,000	181,200,000	265,795,043	538,795,043	141,775,013	397,0
Piazza Omero 24	469	90,000,000			223,000,000	311,361,280	624,361,280	171,302,514	453,0
Via Arsenale 19/21/23	16,875	39,731,349,237	1,998,955,000			23,545,520,675	65,275,824,912	10,656,955,447	54,618,8
TORRE ANNUNZIATA									
Corso Vitt. Emanuele III 307	1,557	91,000		107,229,000		277,597,433	384,914,433	71,459,376	313,4
TORRE DEL GRECO									
Via Vitt. Veneto 40/D	334	100,000,000			282,000,000	358,009,071	740,009,071	207,240,816	532,7
TRENTO									
Via S. Pietro 51/A	2,830	10,460,157,026				899,453,531	11,359,610,557	834,931,376	10,524,6
TREVISO									
Piazzetta A. Moro 1	626	330,995		230,069,005		271,654,741	502,054,741	156,038,411	346,0
TRIESTE									
Piazza della Libertà 2	380	400,724,100			269,275,900	567,67,748	1,237,567,748	519,949,083	717,6
Piazza S. Giovanni 2	190	239,800,000			132,200,000	298,987,087	670,987,087	311,902,839	359,0
Via Flavia 60/1	693	158,424,372			236,575,628	458,491,779	853,491,779	283,271,613	570,2
Piazza della Borsa 9	3,420	3,109,000		1,033,291,000	1,796,600,000	2,783,544,598	5,616,544,598	1,490,499,124	4,126,0
UDINE									
Via Manin 2/4	2,245	230,070,520		423,529,480	2,246,400,000	2,728,954,384	5,628,954,384	1,435,009,586	4,193,9
VAREDO									
Via Donatori di Sangue	6,700	4,713,251,500					4,713,251,500		4,713,2
VARESE									
Via Marconi 14	1,402	613,775,914		153,880,000	700,470,300	1,664,491,013	3,132,617,227	1,052,031,241	2,080,5
VENEZIA									
Bocca di Piazza ang. Ascensore	916	2,386,139				2,536,011,763	2,538,397,902	230,841,950	2,307,5
Campo S. Salvador 5058	2,539	1,640,731		717,559,269		6,793,372,561	7,512,572,561	914,089,701	6,598,4

of property	Area (sq.m.)	Cost	Revaluation, Law No. 823 of 19 Dec. 1973	Revaluation, Law No. 576 of 2 Dec. 1975	Revaluation, Law No. 72 of 19 March 1983	Revaluation, Law No. 413 of 30 Dec. 1991	Gross book value	Accumulated depreciation	Net book value as at 31.12.94
Bertà 112	1,767	995,000				1,688,524	2,683,524	1,236,518	1,447,008
ssa Via C. Corte Velone	22	2,600,00			2,400,000	22,924,200	27,924,200	5,722,178	22,202,022
ezia 9	415	104,500,000			181,500,000	279,896,731	565,896,731	149,270,706	416,626,025
ini 41	5,447	2,518,529,000		793,071,000	1,576,400,000	5,736,798,082	10,624,798,082	3,403,459,652	7,221,338,430
BIO									
Azeglio 23	1,040	642,000,000			714,000,000	1,487,724,345	2,843,724,345	1,030,282,190	1,813,442,155
A									
illadio 61-67	2,833	327,750,233		761,023,604	794,400,000	1,814,337,696	3,697,511,533	976,964,269	2,720,547,264
LO									
ct. Emanuele 39	3,320	23,330,924		861,469,076		997,729,957	1,882,529,957	554,679,967	1,327,849,990
RA									
97	1,819	7,556,463				227,586,956	235,143,419	24,087,116	211,056,303
		564,552,081,998	25,752,427,799	29,021,583,730	124,116,841,860	567,432,037,447	1,310,874,972,834	28,540,122,819	1,028,334,850,015
RIGHTS OVER PROPERTY									
(Lasseholds)									
ireet 1 - SW1	201	760,029,000					760,029,000	94,768,675	665,260,325
reet 51 - SW3	131	418,015,950					418,015,950	105,129,060	312,886,890
an Hill Court 20 - W8	197	329,345,900					329,345,900	53,567,249	275,778,651
Court Whiteheads									
-7 - SW3	109	304,011,600					304,011,600	46,069,158	257,942,442
		1,811,402,450					1,811,402,450	299,534,142	1,511,868,308
TO BE CAPITALISED		3,161,607,159					3,161,607,159		3,161,607,159

569,525,091,607	25,752,427,799	29,021,583,730	124,116,841,860	567,432,037,447	1,315,847,982,443	282,839,656,961	1,003,008,325,482
-----------------	----------------	----------------	-----------------	-----------------	-------------------	-----------------	-------------------

BUSINESS AND FINANCIAL HIGHLIGHTS GROUP

SUMMARY INFORMATION

CONSOLIDATED BALANCE SHEET

billions of Italian lire

	31.12.94	31.12.93
Total assets	121,938.5	122,297.4
Total loans	88,234.3	90,780.5
including:		
- <i>customers</i>	43,801.0	50,573.0
- <i>non-performing loans (net)</i>	1,644.1	1,138.6
Dealing securities	16,155.0	13,148.0
<i>including: shares, quotas and other forms of capital</i>	187.0	264.3
Fixed assets	10,057.1	9,919.4
including:		
- <i>investment securities</i>	5,809.7	6,107.8
- <i>equity investments</i>	1,293.0	936.9
Total payables	105,308.4	106,394.6
<i>including: due to customers and securities issued</i>	50,481.8	48,513.6
Subordinated liabilities	1,990.8	1,492.9
Shareholders' equity (Group interest)	5,689.9	4,755.6
including:		
- <i>share capital</i>	1,120.0	800.0
- <i>net income for the year</i>	64.8	274.9
Other balance-sheet information		
Equity for monitoring purposes (1)	7,444.0	6,431.9
including:		
- <i>basic equity</i>	5,026.5	4,038.5
- <i>supplementary equity</i>	2,537.2	2,571.5
- <i>deductions</i>	153.4	206.5

CONSOLIDATED STATEMENT OF INCOME

billions of Italian lire

	1994	1993
Interest margin	2,737.3	2,796.4
Revenues from services and other sources	562.0	1,602.6
<i>including: profits/(losses) on financial operations</i>	(498.9)	690.3
Net interest and other operating income	3,299.3	4,399.0
Administrative costs	2,588.4	2,569.0
<i>including: payroll</i>	1,745.3	1,714.8
Gross operating income	710.9	1,830.0
Operating income	109.3	923.6
Net income for the year	64.8	274.9

GROUP ORGANISATION

	1994	1993
Number of employees as at 31 December	17,209	17,275
<i>including: part-time</i>	1,101	1,049
Average number of employees (2)	17,242	17,392
Number of branches as at 31 December	988	886

(1) Consolidated equity calculated on the basis used for reporting to the Bank of Italy and including the gains of the stockbroking companies (SIMs).

(2) Based on headcount as at 1 January and 31 December.

FINANCIAL AND OTHER INDICATORS (GROUP)

	1994	1993
Balance sheet		
Loans to customers / Total assets	35.92%	41.35%
Securities (other than shares) / Total assets	17.86%	15.53%
Equity investments and shares / Total assets	1.21%	0.98%
Loans to customers and securities issued / Total equity & liabilities	41.40%	39.67%
Shareholders' equity / Total equity & liabilities	4.67%	3.89%
Profitability		
Gross operating income / Shareholders' equity	12.49%	38.48%
Gross operating income / Average total assets (3)	0.58%	1.55%
Interest margin / Average total assets	2.24%	2.37%
Net interest & other operating income / Average total assets	2.70%	3.73%
Productivity (4)		
Gross operating income / Average total employees	41	105
Average total assets / Average total employees	7,082	6,789
Loans to customers and securities issued / Average total employees	2,928	2,789
Loan to customers / Average total employees	2,540	2,908
Risk		
Non-performing loans (net) / Total lending	1.86%	1.25%
Non-performing loans (net) / Loans to customers	3.75%	2.25%
Non-performing loans (net) / Shareholders' equity	28.90%	23.94%
Capital ratios		
Basic equity for monitoring purposes / Risk-weighted assets	7.70%	6.03%
Equity for monitoring purposes / Risk-weighted assets	11.40%	9.60%

FOREWORD Shareholders

1994 is the second year for which consolidated financial statements have been prepared, in accordance with Decree No. 87 of 27 January 1992 and a Bank of Italy directive of 15 July 1992, as amended on 16 January 1995. The statements provide an overview of the financial position and business results of the Credito Italiano Banking Group as a whole.

Banking Group subsidiaries are consolidated line-by-line; those owned jointly with third parties are included on a proportional basis.

Investments in companies over which considerable influence is exercised are carried at equity.

Holdings of less than 20% of ordinary share capital are carried at cost as adjusted, where necessary, to reflect any writedowns.

Subsidiaries with insignificant total assets, or which operate in unrelated sectors, are carried at equity. Investments in minor companies subject to significant influence, those due to be sold and those for which it is difficult to obtain accounting information are carried at cost.

SCOPE OF CONSOLIDATION

1. Companies consolidated line-by-line

Registered	office	Ownership %
Resident banks		
CREDIO ITALIANO S.p.A.	Genoa	
BANCA CREDITWEST E DEI COMUNI VESUVIANI S.p.A.	Milan	68.04% (*)
BANCA CATTOLICA S.p.A.	Molfetta (Bari)	35.00%
BANCA POPOLARE DI SPOLETO S.p.A.	Spoletto (Perugia)	28.90%

Banca Popolare Cattolica S.p.A. was formed following the spin-off of banking activities by Banca Cattolica Popolare Soc. Coop. Srl, and is controlled on the basis of agreements with other shareholders. Operations under the new name and as part of the Credito Italiano Banking Group started on November 1, 1994.

Non-resident banks

CREDITO ITALIANO FINANCE CORPORATION LTD.	Nassau	100.00%
CREDITO ITALIANO BANK AG	Frankfurt	100.00% (*)
BANQUE TRANSATLANTIQUE DE MONACO	Montecarlo	100.00% (*)

* Previously held via holding companies.

The bank increased its interest in Banque Transatlantique de Monaco (in 1993 amounting to 20% and carried at equity) to 100%, in an operation involving the sale of an interest in Banque Transatlantique SA (Paris) to the CIC Cr dit Industriel et Commercial Group (Paris). The new subsidiary changed its name to Banque Monegasque de Gestion on 3 January 1995.

Registered	office	Ownership %
Resident finance companies		
CORDUSIO - Società Fiduciaria pA	Milan	100.00% (*)
GESTICREDIT S.p.A.	Milan	100.00% (*)
SIMCREDIT S.p.A. di Intermediazione Mobiliare	Milan	73.10%
CREDIT CONSULT S.p.A. di Intermediazione Mobiliare	Milan	70.00% (*)
CREDIT FACTORING INTERNATIONAL S.p.A. -		
Società per il Factoring Internazionale	Milan	100.00% (*)
CREDIT LEASING - Società per il Leasing Finanziario S.p.A.	Milan	100.00% (*)
CREDITCON S.p.A.	Pisa	100.00% (*)
CREDIT FIDUCIARIA S.p.A.	Milan	100.00% (*)

Details of the merger with the Bank of Credit Holding Bank S.p.A., Credit Holding International S.p.A., Credit Holding Italia S.p.A., Credit Merchant S.p.A. and Generale Immobiliare Srl, were filed at the Register of Companies on 7 December 1994.

Non-resident finance companies

CREDITO ITALIANO DELAWARE INC.	Wilmington	100.00% (*)
CREDITO ITALIANO INTERNAT. LTD.	London	100.00% (*)

* Previously held via holding companies.

Changes in the scope of consolidation have resulted in a reduction in the number of companies consolidated line-by-line from 19 in 1993 to 17 in the year under review.

2. Companies consolidated using the proportional method

Registered	office	Ownership %
Resident banks		
CREDITO FONDARIO E INDUSTRIALE FONSPA S.p.A.	Rome	26.30%

Due to difficulties in obtaining the data needed for consolidation via the proportional method, as at the end of 1993 this jointly-owned company was carried at equity. Its 1993 data has been reclassified in line with the proportional basis adopted as at 31 December 1994.

3. Companies carried at equity

Registered	office	Ownership %
Interests held directly		
BROKER CREDIT - Gestione Polizze d'Assicurazione S.p.A.	Milan	70.00%
COMMERCIAL UNION ASSURANCE HOLDING S.p.A.	Milan	30.00%
COMMERCIAL UNION LIFE HOLDING S.p.A.	Milan	30.00%
COMMERCIAL UNION VITA S.p.A.	Milan	30.00%
DATA MANAGEMENT S.p.A.	Milan	39.00%
LOCAT - Locazione Attrezzature S.p.A.	Turin	22.8%
SERFINIM S.p.A.	Rome	33.33% (*)
Interest held via Credit Italiano Bank AG - Frankfurt		
CPS PRO SERVICE GmbH (in liquidation)	Frankfurt	100.00%
Interest held via Banca Cattolica S.p.A. Molfetta		
ART S.p.A. (in liquidation)	Bari	100.00%

* plus 8.77% held via Credito Fondario e Industriale Fonspa S.p.A.

The changes compared with the previous year reflect Credito Italiano's absorption of Generale Immobiliare Srl and the purchase of Art S.p.A. (in liquidation) via Banca Cattolica S.p.A.

The principal companies carried at cost are listed in the Explanatory Notes (Part B, Section 3.1)

The main principles adopted for the purposes of the consolidation are described below.

Scope of consolidation

The consolidated financial statements are derived from those of the Parent Bank and those submitted to the Bank by the appropriate officials within the other consolidated companies. Draft financial statements have been used in certain cases, while those of the more significant subsidiaries have been audited by one of the various leading firms of auditors.

Where necessary, the financial statements used have been reclassified and otherwise adjusted for the purposes of consolidation and conformity with Group accounting policies.

Financial statements in foreign currency have been translated using year-end exchange rates.

Consolidation bases

The book value of subsidiaries consolidated line-by-line or on a proportional basis is eliminated against the corresponding share of their net equity. Where possible, any differences are allocated on consolidation to the assets and liabilities of the companies concerned.

Unallocated differences are classified in the consolidated balance sheet as positive or negative goodwill on consolidation. Positive goodwill is offset against negative goodwill to the extent possible and any remaining balance is amortized over five years (Art. 16.2).

If negative goodwill reflects the expectation of adverse results in the future, then it is classified as a "Risk reserve arising on consolidation" and released to the statement of income to match losses as they arise.

The consolidation reserves also reflect the effect of translating the shareholders' equity of consolidated foreign subsidiaries using the closing rate of exchange.

The method used for consolidation line-by-line (and in applying the proportional method) can be summarised as follows:

- combination of the standard captions of the various companies' financial statements;
- elimination of intercompany balances and transactions;
- elimination of intraGroup dividends and writedowns of consolidated equity investments;
- elimination of the book value of consolidated subsidiaries against the corresponding share of their net equity, dealing with any differences as described above;
- recording of minority interests in net equity under the relevant balance sheet caption and separate disclosure of net income attributable to minority interests.

**GROUP
OPERATIONS**

The report on the parent company's performance describes the international and national economic background to the Group's 1994 operations and includes a summary of events on the domestic political scene; it also summarises the year's changes to Group structure.

The reclassified consolidated financial statements for 1994 are summarised below on a comparative basis:

RECLASSIFIED CONSOLIDATED BALANCE SHEET

billions of Italian Lire

ASSETS	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
1. Cash and deposits with central banks and post offices	312.2	265.5	+ 46.7	17.6
2. Loans:				
- Customers	43,801.0	50,573.0	- 6,772.0	13.4
- Banks	44,433.3	40,207.5	+ 4,225.8	10.5
3. Dealing securities	16,155.0	13,148.0	+ 3,007.0	22.9
4. Fixed assets				
a) investment securities	5,809.7	6,107.8	- 298.1	4.9
b) equity investments	1,293.0	936.9	+ 356.1	38.0
c) tangible and intangible assets	2,954.4	2,874.7	+ 79.7	2.8
5. Goodwill arising on consolidation	35.9	25.8	+ 10.1	39.1
6. Other assets	7,144.0	8,158.2	- 1,014.2	12.4
Total assets	121,938.5	122,297.4	- 358.9	0.3

billions of Italian Lire

LIABILITIES AND EQUITY	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
1. Payables				
- Due to customers	34,697.0	33,135.0	+ 1,562.0	4.7
- Securities issued	15,784.8	15,378.6	+ 406.2	2.6
- Due to banks	54,826.6	57,881.0	+ 3,054.4	5.3
2. Specific reserves	1,113.4	1,648.3	- 534.9	32.5
3. Other liabilities	7,505.7	7,320.5	+ 185.2	2.5
4. Reserve for possible loan losses	134.2	557.0	- 422.8	75.9
5. Subordinated liabilities	1,990.8	1,492.9	+ 497.9	33.4
6. Reserve for general banking risks	9.2	3.1	+ 6.1	••
7. Minority interests	186.9	125.4	+ 61.5	49.0
8. Shareholders' equity				
- Capital, reserves and retained earnings	5,625.1	4,480.7	+ 1,144.4	25.5
- Net income for the year	64.8	274.9	- 210.1	76.4
Total liabilities and shareholders' equity	121,938.5	122,297.4	- 358.9	0.3
Guarantees and commitments	26,086.8	23,332.2	+ 2,754.6	11.8
Securities held for safekeeping and administration	94,411.7	89,516.5	+ 4,895.2	5.5

1993 data has been restated to reflect consolidation of Credito Fondiario e Industriale Fonspa S.p.A. using the proportional method (see 'Scope of consolidation' above)

RECLASSIFIED CONSOLIDATED STATEMENT OF INCOME

billions of Italian Lire

	1994	1993	Changes	
			Amount	%
Interest margin	2,737.3	2,796.4	- 59.1	2.1
Revenues from services and other sources*	562.0	1,602.6	- 1,040.6	64.9
Net interest and other operating income	3,299.3	4,399.0	- 1,099.7	25.0
Administrative costs	2,588.4	2,569.0	+ 19.4	0.8
Gross operating income	710.9	1,830.0	- 1,119.1	61.2
Adjustments to intangible and tangible fixed assets	233.5	195.8	+ 37.7	19.3
Provisions, adjustments and writebacks	- 368.1	- 710.6	+ 342.5	48.2
Extraordinary income/(loss)	49.3	65.0	- 15.7	24.2
Change in reserve for general banking risks	+ 6.1	+ 3.1	+ 3.0	96.8
Income taxes	93.4	705.3	- 611.9	86.8
Net income/(loss) attributable to minority shareholders	(5.7)	5.3	- 11.0	••
Net income/(loss) for the year	64.8	274.9	- 210.1	76.4

* Depreciation of leased assets recorded under Caption 90 'Adjustments to intangible and tangible fixed assets' (1994: Lire 422.9 billion; 1993: 355.1 billion) has been transferred to 'Revenue from services and other sources' to match the leasing income from the assets concerned.

LENDING POLICY

LOANS

billions of Italian Lire

	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Loans to customers				
- lire	32,000.8	36,699.1	- 4,698.3	12.8
- foreign currency	11,800.2	13,873.9	- 2,073.7	14.9
	43,801.0	50,573.0	- 6,772.0	13.4
Due from banks				
- lire	17,413.7	13,530.9	+ 3,882.8	28.7
- foreign currency	27,019.6	26,676.6	+ 343.0	1.3
	44,433.3	40,207.5	+ 4,225.8	10.5
Total	88,234.3	90,780.5	- 2,546.2	2.8

Overall lending declined by Lire 2,546.2 billion (2.8%), to 88,234.3 billion.

At Lire 43,801 billion, loans to customers were down by 6,772 billion (13.4%).

The latter decline affected virtually all Group companies. The fall in the case of the Parent Bank, whose lending represents 84.4% of the corresponding Group total, amounted to 15.6% (16% after intercompany eliminations).

Loans to customers are analysed by type below, showing the respective totals for lire and foreign currency lending:

billions of Italian Lire			
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Portfolio risk	519.1	46.8	565.9
Current accounts	10,964.8	5,113.3	16,078.1
Mortgages	5,159.3	341.4	5,500.7
Other loans	3,008.9	2,753.2	5,762.1
Other non-overdraft lending	7,688.3	3,320.2	11,008.5
Non-performing loans	1,552.8	91.3	1,644.1
Repurchase agreements	1,494.2	31.8	1,526.0
Other transactions	1,613.4	102.2	1,715.6
Total	32,000.8	11,800.2	43,801.0

The following is an analysis by type of lending on a comparative basis with the previous year:

billions of Italian Lire					
	Amounts as at		Changes		
	31.12.94	31.12.93	Amount	%	
Portfolio risk	565.9	745.4	- 179.5	24.1	
Current accounts	16,078.1	18,175.7	- 2,097.6	11.5	
Mortgages	5,500.7	5,416.1	+ 84.6	1.6	
Other loans	5,762.1	6,059.5	- 297.4	4.9	
Other non-overdraft lending	11,008.5	10,976.4	+ 32.1	0.3	
Non-performing loans	1,644.1	1,135.5	+ 508.6	44.8	
Repurchase agreements	1,526.0	6,060.4	- 4,534.4	74.8	
Other transactions	1,715.6	2,004.0	- 288.4	14.4	
Total	43,801.0	50,573.0	- 6,772.0	13.4	

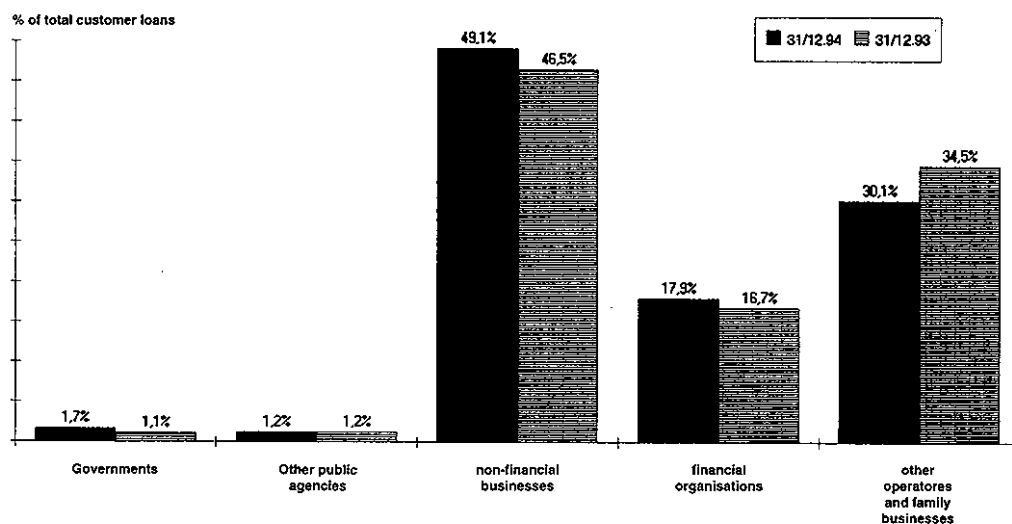
The following is an analysis of amounts due from banks by type of arrangement and showing the division between lira and foreign currency accounts:

billions of Italian Lire			
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Due from central banks	3,796.6	22.7	3,819.3
Deposits	12,064.2	24,753.1	36,817.3
Loans granted	259.8	1,383.2	1,643.0
Current accounts for services	378.5	322.0	700.5
Non-performing loans	—	—	—
Repurchase agreements	908.7	538.5	1,447.2
Other transactions	5.9	0.1	6.0
Total	17,413.7	27,019.6	44,433.3

The analysis by type on a comparative basis with 1993:

	billions of Italian Lire				
	Amounts as at		Changes		
	31.12.94	31.12.93	Amount	%	
Due from central banks	3,819.3	4,408.2	- 588.9	13.4	
Finance leasing	—	—	—	—	
Deposits	36,817.3	29,814.9	+ 7,002.4	23.5	
Loans granted	1,643.0	1,968.9	- 325.9	16.6	
Current accounts for services	700.5	479.7	+ 220.8	46.0	
Non-performing loans	—	3.1	- 3.1	100.0	
Repurchase agreements	1,447.2	3,430.3	- 1,983.1	57.8	
Other transactions	6.0	102.4	- 96.4	94.1	
Total	44,433.3	40,207.5	+ 4,225.8	10.5	

The following chart shows the distribution of loans to customers by customer segment (see Section 11.2), underlining the Group's orientation towards the non-financial sector.



The ratio of non-performing to total loans amounted to 1.86%, compared with 1.25% a year earlier; in the case of loans to customers alone, the corresponding ratios were 3.75% and 2.25%.

	billions of Italian Lire	
	Amounts as at	
	31.12.94	31.12.93
Non-performing loans (gross)	2,762.1	1,894.0
Forecast losses	1,118.0	755.4
<i>including: interest on overdue loans</i>	495.1	379.7
Non-performing loans (net)	(a) 1,644.1	1,138.6
Loans:		
- loans to customers	43,801.0	50,573.0
- due from banks	44,433.3	40,207.5
Total	(b) 88,234.3	90,780.5
Ratio a:b	1.86%	1.25%
<i>including: loans to customers</i>	3.75%	2.25%

Non-performing loans at face value including interest on overdue loans totaled Lire 2,762.1 billion; 77.3% of the total related to lending by the Parent Bank.

As shown in the table below, the Parent Bank accounted for 90.3% (other companies 9.7%) of total Group lending as at December 31, 1994:

	billions of Italian Lire		
	Amounts as at 31.12.94		Total
	Parent Bank	Other companies	
Loans to customers	36,958.2	6,842.8	43,801.0
Due from banks	42,751.2	1,682.1	44,433.3
	79,709.4	8,524.9	88,234.3
% of total	90.3%	9.7%	100.0%

SECURITIES

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Investment securities	16,155.0	13,148.0	+ 3,007.0	22.9
Dealing securities	5,809.7	6,107.8	- 298.1	4.9
Total	21,964.7	19,255.8	+ 2,708.9	14.1

Securities totaled Lire 21,964.7 billion at the end of 1994, having risen by 2,708.9 billion (14.1%); the total included Lire 5,809.7 billion in respect of investment securities.

The content of the securities portfolios appears below on a comparative basis with the position at end-1993:

Dealing securities	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Treasury Bills (BOT)	2,818.2	6,154.1	- 3,335.9	54.2
Treasury Certificates (CCT)	5,405.0	3,493.8	+ 1,911.2	54.7
Long-term Treasury Bills (BTP)	6,433.4	2,053.3	+ 4,380.1	••
Bonds issued by international institutions	465.8	321.5	+ 144.3	44.9
Certificates of Deposit	26.9	40.0	- 13.1	32.8
Mediobanca bonds	99.0	6.6	+ 92.4	••
Cassa Depositi e Prestiti (re IRI)	85.9	—	+ 85.9	••
Other securities	820.8	1,078.7	- 257.9	23.9
Total	16,155.0	13,148.0	+ 3,007.0	22.9

Investment securities	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Treasury Bills (BOT)	91.8	225.0	- 133.2	59.2
Treasury Certificates (CCT)	1,414.8	2,583.2	- 1,168.4	45.2
Long-term Treasury Bills (BTP)	1,578.8	827.8	+ 751.0	90.7
Certificates of Deposit	109.2	128.3	- 19.1	14.9
Securities received as a result of loan restructuring	494.7	306.6	+ 188.1	61.4
Cassa Depositi e Prestiti (re EFIM)	290.8	290.8	—	—
Credito Fondiario S.p.A. bonds	118.0	196.5	- 78.5	39.9
Banco di Sicilia bonds	100.0	100.0	—	—
Mediobanca bonds	199.4	202.7	- 3.3	1.6
Bonds issued by international institutions	106.6	105.0	+ 1.6	1.5
Other securities	1,305.6	1,141.9	- 163.7	14.3
Total	5,809.7	6,107.8	- 298.1	4.9

The differences between book and redemption values of the Group's fixed-income investment securities are summarised below:

billions of Italian Lire

	Amounts as at 31.12.94		
	Redemption value	Book value	Differences
Treasury Bills (BOT)	91.8	100.0	+ 8.2
Long-term Treasury Bills (BTP)	1,578.8	1,577.0	- 1.8
Treasury Certificates (CCT)	1,414.8	1,445.5	+ 30.7
Other bonds	2,724.3	2,787.7	+ 63.4
Total	5,809.7	5,910.2	+ 100.5

Consolidated subsidiaries held 10.6% of the stocks comprising the Group's securities portfolios.

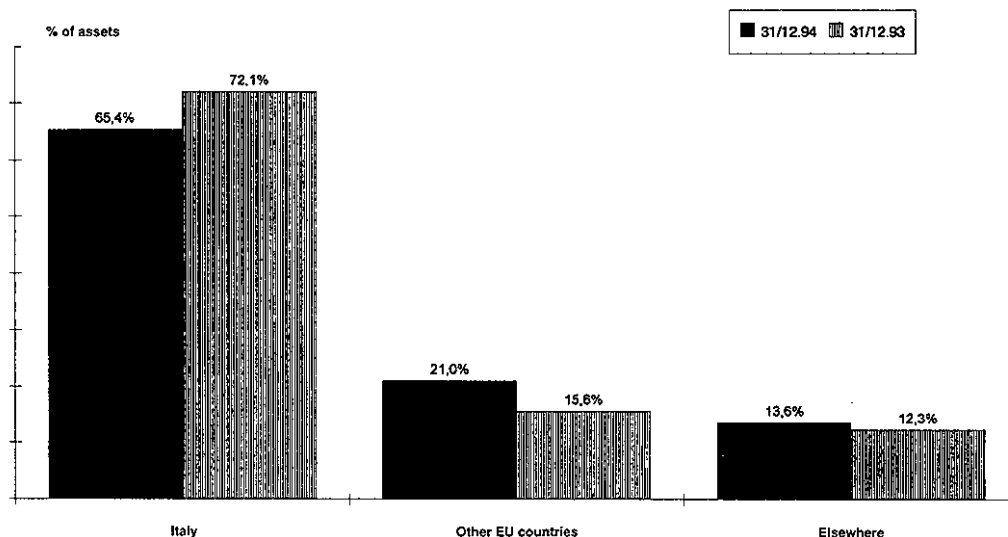
billions of Italian Lire

	Amounts as at 31.12.94		
	Parent Bank	Other companies	Total
Dealing securities	15,075.9	1,079.1	16,155.0
Investment securities	4,554.2	1,255.5	5,809.7
	19,630.1	2,334.6	21,964.7
% of total	89.4%	10.6%	100.0%

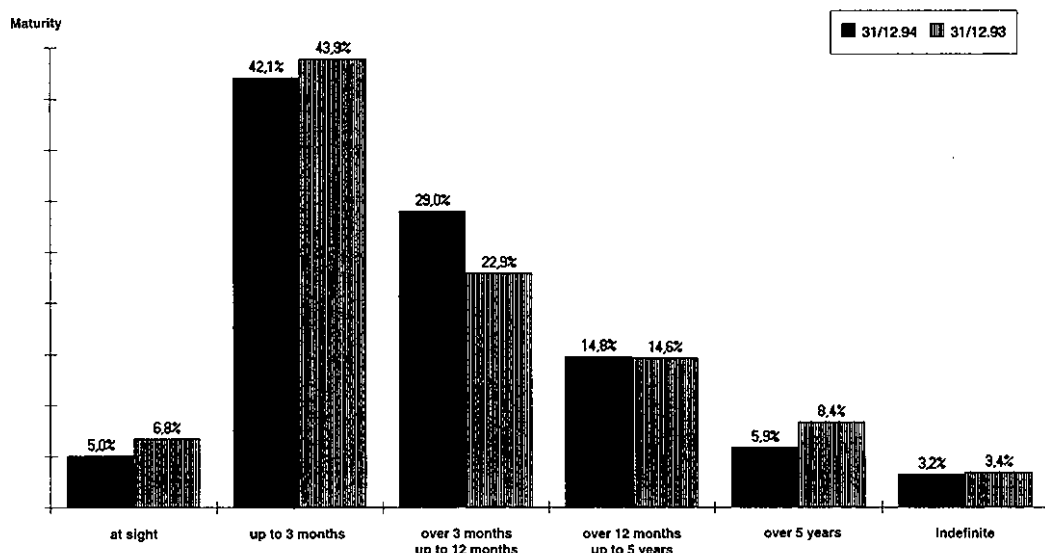
The following table analyses marketable government stocks, bonds and other debt securities by maturity, based on book value:

Maturity	billions of Italian lire	% of total
at sight	9.5	0.05
up to 3 months	1,740.5	7.99
over 3 months, up to 12 months	6,311.4	28.98
over 12 months, up to 5 years	9,162.2	42.07
over 5 years	4,553.8	20.91
indefinite	0.3	••
	21,777.7	100.0

The chart below indicates the geographical distribution of loans to customers, amounts due from banks plus the securities portfolios (see Section 11.5); business with residents accounts for over 65% of the total:



The distribution in terms of maturity of these assets (see Section 11.6) is indicated in the chart below on a comparative basis:



PAYABLES

Payables are stated at face value; the total as at 31 December 1994 amounted to Lire 105,308.4 billion.

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Due to customers				
- lire	28,283.8	26,213.3	+ 2,071.5	7.9
- foreign currency	6,413.2	6,922.7	- 509.5	7.4
	34,697.0	33,135.0	+ 1,562.0	4.7
Securities issued				
- lire	12,028.2	11,462.1	+ 566.1	4.9
- foreign currency	3,756.6	3,916.5	- 159.9	4.1
	15,784.8	15,378.6	+ 406.2	2.6
Due to banks				
- lire	20,991.7	22,976.4	- 1,984.7	8.6
- foreign currency	33,834.9	34,904.6	- 1,069.7	3.1
	54,826.6	57,881.0	- 3,054.4	5.3
Total	105,308.4	106,394.6	- 1,086.2	1.0

Amounts due to customers (including assets administered totaling Lire 7.4 billion) rose by Lire 1,562.0 billion (4.7%) during 1994; securities issued were Lire 406.2 billion (2.6%) higher.

Amounts due to banks declined by Lire 3,054.4 billion (5.3%).

Further analysis of Loans to customers and Securities issued is provided below; in terms of lire and foreign currency.

Totals at the end of 1994 by type of business and in terms of Lira and foreign currency elements:

	billions of Italian Lire		
	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Due to customers:			
- deposits	5,187.8	298.8	5,486.6
- current accounts	20,225.0	4,593.5	24,818.5
- repurchase agreements	2,592.7	720.6	3,313.3
- assets administered	7.4	—	7.4
- other	270.9	800.3	1,071.2
	28,283.8	6,413.2	34,697.0
Securities issued:			
- bonds	1,714.0	—	1,714.0
- Certificates of Deposit	9,728.8	3,711.2	13,440.0
- other	585.4	45.4	630.8
	12,028.2	3,756.6	15,784.8
Total	40,312.0	10,169.8	50,481.8

Comparison with 1993 in terms of type of business:

	billions of Italian Lire			
	Amounts as at		Changes	
	31.12.94	31.12.93	Amount	%
Due to customers:				
- deposits	5,486.6	4,704.8	+ 781.8	16.6
- current accounts	24,818.5	22,708.8	+ 2,109.7	9.3
- repurchase agreements	3,313.3	4,075.0	- 761.7	18.7
- assets administered	7.4	21.8	- 14.4	66.1
- other	1,071.2	1,624.6	- 553.4	34.1
	34,697.0	33,135.0	+ 1,562.0	4.7
Securities issued:				
- bonds	1,714.0	1,815.4	- 101.4	5.6
- Certificates of Deposit	13,440.0	13,048.2	+ 391.8	3.0
- other	630.8	515.0	+ 115.8	22.5
	15,784.8	15,378.6	+ 406.2	2.6
Total	50,481.8	48,513.6	+ 1,968.2	4.1

The following tables relate to amounts due to banks, and show:

- the analysis by type of business and in terms of lira and foreign currency

	billions of Italian Lire		
	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
deposits	13,876.0	31,758.3	45,634.3
current accounts for services	1,776.4	116.9	1,893.3
advances from Bank of Italy and other amounts due to central banks	93.9	1,165.5	1,259.4
repurchase agreements	4,575.6	175.0	4,750.6
including with Bank of Italy	4,568.5	—	4,568.5
other transactions	669.8	619.2	1,289.0
Total	20,991.7	33,834.9	54,826.6

- comparison with 1993 in terms of type of business:

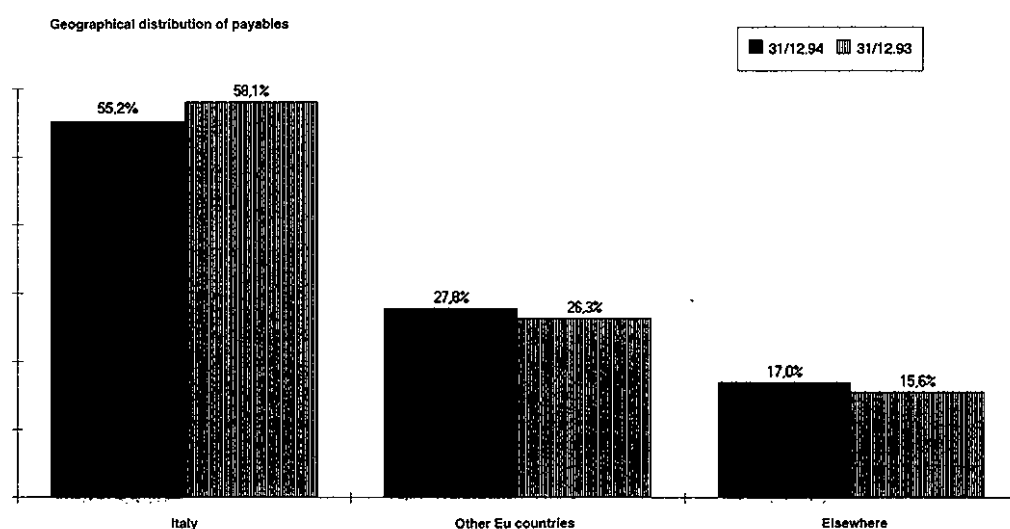
	billions of Italian Lire				
	Amounts as at		Changes		
	31.12.94	31.12.93	Amount		%
deposits	45,634.3	46,541.2	-	906.9	1.9
current accounts for services	1,893.3	1,620.4	+	272.9	16.8
advances from Bank of Italy and other amounts due to central banks	1,259.4	1,797.2	-	537.8	29.9
repurchase agreements	4,750.6	6,342.3	-	1,591.7	25.1
<i>including with Bank of Italy</i>	<i>4,568.5</i>	<i>6,040.4</i>	-	<i>1,471.9</i>	<i>24.4</i>
other transactions	1,289.0	1,579.9	-	290.9	18.4
Total	54,826.6	57,881.0	-	3,054.4	5.3

The Parent Bank's payables accounted for 90.6% of the Group total (91.6% at the end of 1993).

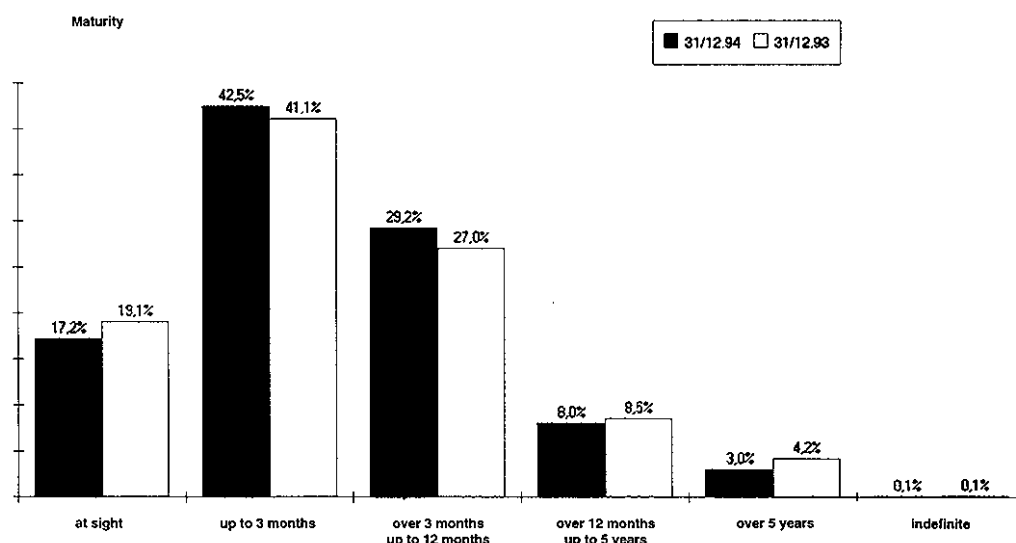
	billions of Italian Lire		
	Amounts as at 31.12.94		
	Parent Bank	Other companies	Total
Due to customers	31,064.1	3,632.9	34,697.0
Securities issued	12,841.4	2,943.4	15,784.8
Due to banks	51,545.7	3,280.9	54,826.6
	95,451.2	9,857.2	105,308.4
% of total	90.6%	9.4%	100.0%

As of the end of 1994, the Group was a net borrower on the interbank market, to the extent of Lire 10,393.3 billion; around 84.6% of the latter total related to the Parent Bank.

The chart below indicates the geographical distribution of amounts due to customers and banks, plus securities issued (see Section 11.5); it is apparent that dealings with residents accounted for over 55% of the total:



The structure in terms of maturity of the Group's payables (see Section 11.6) is illustrated in the chart below; the comparison with the position a year earlier reveals a little-changed picture favouring the short term (less than 12 months):



RESERVES

billions of Italian Lire	
Amounts as at 31.12.94	
70. Reserve for termination indemnities	646.4
80. Reserves for risks and charges:	467.0
a) Pensions and similar commitments	5.8
b) Taxation	243.1
c) Consolidation risks and charges	—
d) Other	218.1
90. Reserve for possible loan losses	134.1
Total	1,247.6

Changes in these reserves during 1994 are summarised below:

billions of Italian Lire					
	Reserve for employee termination indemnities	Reserves for risks and charges			
		Reserves for possible loan losses	Pensions and similar commitments	Taxation	Other
Amounts as at 31.12.93	639.1	1.8	853.9	153.5	567.0
Changes in 1994:					
Uses:					
- to cover writedown of loans	—	—	—	—	- 379.7
- to cover payments during the year	- 93.0	—	- 740.5	- 16.1	—
Written back to income	- 0.5	—	- 16.5	- 10.4	••
Provisions	+ 93.7	+ 0.4	+ 144.9	+ 28.7	+ 13.9
Exchange differences and other changes	+ 7.1	+ 3.6	+ 1.3	+ 62.4	- 57.0
Amounts as at 31.12.94	646.4	5.8	(*) 243.1	218.1	134.2
(*) Includes deferred charges for Lire 14.3 billion					

Other reserves for risks and charges comprised the following:

	in billions of Italian lire
	Amount as at 31.12.94
Reserve for guarantees given and commitments:	
- specific losses	23.7
- general "country risk" reserve	7.2
- other general reserves	2.4
	33.3
Other reserves for risks and charges:	
- current legal disputes	69.8
- events subject to clarification	10.0
- interest in Sofinpar assessment	16.3
- provisions by foreign branches in accordance with local requirements	12.9
- other	75.8
	184.8
Total	218.1

The following table indicates the composition of the consolidated balance sheet in terms of the weight of the Parent Bank and other consolidated companies, indicating the consolidation adjustments:

	billions of Italian Lire			
	Amounts as at 31.12.94			
	Parent Bank	Other companies adjustments	Consolidation	Total
Assets				
1. Cash and deposits with central banks and post offices	269.3	42.9	—	312.2
2. Loans	79,709.4	8,524.9	—	88,234.3
3. Dealing securities	15,075.9	1,079.1	—	16,155.0
4. Fixed assets	7,804.6	2,870.3	- 617.8	10,057.1
5. Goodwill arising on consolidation	—	—	+ 35.9	35.9
6. Other assets	6,661.7	482.3	—	7,144.0
Total	109,520.9	12,999.5	- 581.9	121,938.5
Liabilities				
1. Payables	95,451.2	9,857.2	—	105,308.4
2. Specific reserves	894.3	144.1	+ 75.0	1,113.4
3. Other liabilities	6,906.3	599.4	—	7,505.7
4. Reserve for possible loan losses	100.0	334.2	—	134.2
5. Subordinated liabilities	1,976.8	14.0	—	1,990.8
6. Reserve for general banking risks	—	47.8	- 38.6	9.2
7. Minority interests	—	—	+ 186.9	186.9
8. Shareholders' equity	5,613.0	882.1	- 805.2	5,689.9
<i>including: net income for the year</i>	<i>91.3</i>	<i>34.9</i>	<i>- 61.4</i>	<i>64.8</i>
Total liabilities and shareholders' equity	110,941.6	11,578.8	- 581.9	121,938.5

The analysis between the Parent Bank and the other consolidated companies is merely a split of the consolidated totals, following any necessary restatements and elimination of intercompany balances.

The consolidation adjustments relate to:

elimination of the book value of consolidated subsidiaries against the corresponding share of their net equity;
goodwill (or negative goodwill) arising on consolidation of interests carried at equity;
valuation of assets leased to third parties using finance lease methodology.

STATEMENT OF INCOME

Interest margin

	billions of Italian Lire				
	1994	1993	Changes		
			Amount	%	
Interest margin (Captions 10, 20, 30, 170)	2,737.3	2,796.4	- 59.1	2.1	

The consolidated interest margin amounted to Lire 2,737.3 billion, lower than in 1993 by 59.1 billion (2.1%).

The interest margin is analysed below:

accounts with customers	+	2,725.2	billion
accounts with banks	-	860.8	billion
income from securities	+	2,166.1	billion
interest burden on securities issued	-	1,124.8	billion
interest burden on subordinated loans	-	92.4	billion
other items	-	76.0	billion
	+	2,737.3	billion

88.9% of the interest margin related to the Parent Bank.

	billions of Italian Lire		
	1994		Total
	Parent Bank	Other companies	
Interest margin (Captions 10, 20, 30, 170)	2,433.1	304.2	2,737.3
Percentage of total	88.9%	11.1%	100.0%

Revenues from services and other sources

	billions of Italian Lire			
	1994	1993	Changes	
			Amount	%
Revenues from services and other sources (Captions 40, 50, 60, 70, 110 and part of 90)	562.0	1,602.6	- 1,040.6	64.9

Revenues from services - including expenses and revenues relating to assets leased to third parties (instalments, net of depreciation) - fell by Lire 1,040.6 billion (64.9%) to 562.0 billion.

The Parent Bank accounted for 40.3% of the total (81.2% in 1993).

	billions of Italian Lire		
	1994		Total
	Parent Bank	Other companies	
Revenues from services and other sources (Captions 40, 50, 60, 70, 110 and part of 90)	226.5	335.5	562.0
Percentage of total	40.3%	59.7%	100.0%

Net interest and other operating income

Net interest and other operating income declined by 25% in 1994, to Lire 3,299.3 billion.

	billions of Italian Lire			
	1994	1993	Changes	
			Amount	%
Net interest and other operating income	3,299.3	4,339.0	- 1,099.7	25.0

The activities of the Parent Bank contributed Lire 2,659.6 billion (80.6% of the total).

billions of Italian Lire			
	1994		
	Parent Bank	Other companies	Total
Net interest and other operating income	2,659.6	639.7	3,299.3
Percentage of total	80.6%	19.4%	100.0%

Administrative costs

billions of Italian Lire					
	1994	1993	Changes		
			Amount	%	
Administrative costs (caption 80)	2,588.4	2,569.0	+	19.4	0.8

These increased by 0.8% to Lire 2,588 billion; 89.4% related to the Parent Bank.

billions of Italian Lire			
	1994		
	Parent Bank	Other companies	Total
Administrative costs (caption 80)	2,313.3	275.1	2,588.4
Percentage of total	89.4%	10.6%	100.0%

Gross operating income

Consolidated gross operating income declined by 61.2% compared with 1993, to Lire 710.9 billion.

The following table summarises the respective contributions to gross operating income by the Parent Bank and the totality of the other consolidated companies, indicating the associated consolidation adjustments:

billions of Italian Lire								
	Parent Bank		Other companies		Consolidation adjustments		Total	
	31.12.94	31.12.93	31.12.94	31.12.93	31.12.94	31.12.93	31.12.94	31.12.93
Amounts								
Interest margin	2,491.0	2,403.9	304.2	395.4	- 57.9	- 2.9	2,737.3	2,796.4
Revenue from services and other sources	226.5	1,301.2	335.5	301.4	—	—	562.0	1,602.6
Administrative costs	2,313.3	2,308.4	275.1	260.6	—	—	2,588.4	2,569.0
Gross operating income	404.2	1,396.7	364.6	436.2	- 57.9	- 2.9	710.9	1,830.0
Percentages of total								
Interest margin	91.0%	86.0%	11.1%	14.1%	- 2.1%	- 0.1%	100.0%	100.0%
Revenue from services and other sources	40.3%	81.2%	59.7%	18.8%	—	—	100.0%	100.0%
Administrative costs	89.4%	89.9%	10.6%	10.1%	—	—	100.0%	100.0%
Gross operating income	56.8%	76.3%	51.3%	23.8%	- 8.1%	- 0.1%	100.0%	100.0%

The analysis between the Parent Bank and the other consolidated companies is merely a split of the consolidated totals, following any necessary restatements and elimination of intercompany transactions.

The consolidation adjustments relate to:

elimination of intraGroup dividends

the Group's share of the net income of companies carried at equity.

NET INCOME FOR THE YEAR AND SHAREHOLDERS' EQUITY

Consolidated shareholders' equity amounted to Lire 5,689.9 billion at the end of 1994. The following table reconciles consolidated net income and shareholders' equity with the corresponding amounts reported by the Parent Bank:

	billions of Italian lire	
	Shareholders' equity*	total net income for the year
Amounts as at 31 December 1994 per the Parent Bank	5,613.0	91.3
Surplus of equity over book value:		
- consolidated companies	85.7	40.6
- companies carried at equity	6.9	2.6
Other consolidation adjustments and reclassifications	- 15.7	- 9.2
Dividends received during the year	—	- 60.5
Amounts as at 31 December 1994 per consolidated financial statements	5,689.9	64.8

* Share capital, share premium reserve, revaluation and other equity reserves, retained earnings and net income for the year.

The changes in shareholders' equity are summarised below:

	billions of Italian lire						
	share capital	share premium reserve	legal reserve	reserves other reserves	statutory reserves	Group share of net income	Total shareholders' equity
Amounts as at 31.12.93	800.0	477.5	320.0	1,647.5	1,235.7	274.9	4,755.6
Movements in 1994							
- dividends distributed	—	—	—	—	—	- 136.3	- 136.3
- transfers between reserves	—	—	- 160.0	+ 242.0	+ 56.6	- 138.6	—
- conversion of savings shares	—	+ 42.9	—	—	—	—	+ 42.9
- increase in Parent Bank's share capital	+ 320.0	+ 640.0	—	—	—	—	+ 960.0
- net change in consolidation reserves	—	—	—	—	+ 2.6	—	+ 2.6
- differences on translation of financial statements denominated in foreign currencies	—	—	—	—	+ 0.3	—	+ 0.3
- Group share of net income	—	—	—	—	—	64.8	64.8
Amounts as at 31.12.94	1,120.0	1,160.4	160.0	1,889.5	1,295.2	64.8	5,689.9

The Group's capital adequacy ratio stands at 11.4% (9.6% at the end of 1993).

HUMAN RESOURCES AND OPERATING STRUCTURE

The Group employed 17,209 persons at the end of 1994 (compared with 17,725 a year earlier).

	31.12.94	31.12.93	Changes
Credito Italiano	15,498	15,824	- 326
Banca Popolare di Spoleto	487	489	- 2
Banca Creditwest e dei Comuni Vesuviani	359	391	- 32
Banca Cattolica (newly acquired)	300	—	+ 300
Credit Leasing	119	114	+ 5
Credito Fondiario	111	117	- 6
Other	335	340	- 5
	17,209	17,275	- 66
<i>including part-time employees</i>	1,101	1,049	+ 52

The banking network comprised 988 branches at the end of 1994, 102 more than a year earlier:

	as at 31.12.94
Credito Italiano	887
Banca Popolare di Spoleto	54
Banca Creditwest e dei Comuni Vesuviani	20
Banca Cattolica (newly acquired)	15
Other	12
	988

PRINCIPAL EQUITY INVESTMENTS

The following paragraphs provide more detailed information regarding the performance of Group companies and other companies in which significant stakes are held.

BANCA CATTOLICA S.p.A., Molfetta. The company commenced operations in November 1994. Activities via its 15 branches address local needs and focus on the personal and small-business market segments; Group plans include development of synergies with the new bank involving expansion of the range of services offered. Specific proposals relate to transaction services in the business customer segment, and insurance and other financial services in the retail market. The financial statements for the short period up to 31 December 1994 disclose a net loss of Lire 3.4 billion, largely due to losses on securities.

BANCA CREDITWEST E DEI COMUNI VESUVIANI S.p.A., Milan. The result of banking activities was net earnings of around Lire 5 billion; however, these were wiped out by losses (partly on paper only) on dealings in the domestic and international bond markets, totaling about Lire 19 billion.

After writedowns of the loans portfolio amounting to over Lire 23 billion, the result for the year was a net loss of 29.4 billion.

BANCA POPOLARE DI SPOLETO S.p.A., Spoleto. As part of a programme of recapitalisation, in August 1994 the bank issued a Lire 21.4-billion convertible bond ('Banca Popolare di Spoleto 8.50% 1994/1997'). In January 1995, the Parent Bank participated in the conversion of the first tranche of bonds, acquiring shares worth Lire 3.4 billion.

The subsidiary's business volumes rose significantly in 1994. Customer deposits (direct and indirect) rose 11.1% to Lire 2,726 billion, while the level of lending to customers increased to 955 billion (3.3% higher than a year earlier).

Adverse conditions in the financial markets were largely responsible for a 27.3% drop in gross operating income. Net income amounted to Lire 4 billion; a dividend of 3.2 billion is proposed (the balance of net income will be transferred to reserves).

BANQUE TRANSATLANTIQUE DE MONACO (now Banque Monegasque de Gestion SA), Montecarlo. As of the end of 1994, the bank's total lending amounted to F 1,130 million (F 1,285 million a year earlier); deposits declined to F 1,100 million (1,246 million at the end of 1993).

The margin on banking operations amounted to F 2.7 million, a rise of 23%. Net income was F 1.3 million.

BROKER CREDIT GESTIONE POLIZZE D'ASSICURAZIONE S.p.A., Milan. Business volume in terms of premiums totaled Lire 127 billion, 51% higher than in 1993 (84 billion). The resulting gross commissions totaled Lire 26.6 billion (1993: 24.2 billion); 21.8 billion was derived from new business, against 4.8 billion from the existing client base.

Net income amounted to 5.6 billion, of which 5.3 billion will be paid as dividend (the balance being transferred to the legal reserve).

CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI, Milan. The company exclusively operates passive asset-management services. Assets under administration totalled Lire 3,309 billion. Net income amounted to Lire 113 million, to be applied in paying a 10% dividend, the balance being appropriated to reserves.

CREDIT CONSULT SOCIETA' PER AZIONI DI INTERMEDIAZIONE MOBILIARE, Milan. The company grew its business volumes in 1994, from Lire 716 billion to 780 billion. Net commission income leapt 66.4% to Lire 5,344 million, but was still insufficient to cover overheads and investment expenditure.

An Extraordinary Meeting held on 27 June 1994 resolved to cover losses totaling Lire 6,112 million sustained up to 30 April 1994.

The loss for 1994 amounted to Lire 1,293 million (1993: 4,216 million), covered to the extent of 913 million by payments received from the shareholders during the year, under the terms of the resolution mentioned above.

Despite continuing economic uncertainties and increasing competition, the forecasts are for further growth in 1995: planned expansion of the network of financial advisors to number over 360 by the year-end are associated with an anticipated 10% increase in business volumes compared with 1994.

CREDIT FACTORING INTERNATIONAL S.p.A. - Società per il Factoring Internazionale, Milan. The company achieved satisfactory results despite a lower volume of business. Turnover fell to Lire 1,361 billion, from 2,099 billion in the previous year. Commission income totaled Lire 7,046 million. Operating income climbed to Lire 4,851 million (1993: 1,472 million).

In June 1994, the company increased its share capital from Lire 15 billion to 30 billion, to comply with the capital adequacy ratio requirements established by the Bank of Italy in relation to factoring concerns. Other motives included ensuring an adequate financial basis for business growth.

1994 net income amounted to Lire 1,032 million. Together with retained earnings, this will fund a dividend of 4%; the remaining amount will be allocated to reserves.

CREDIT FIDUCIARIA S.p.A., Milan. The company operates in the asset management sector. Its first complete year produced net income of Lire 419 million, which will be applied in covering earlier losses of 328.4 million, the balance being transferred to reserves.

Assets under management by the company rose by 51% during the year, to Lire 276 billion, in market value terms.

CREDIT LEASING SOCIETA' PER IL LEASING FINANZIARIO S.p.A., Milan. The Company achieved favorable results in adverse market conditions, in both business and financial terms. New leasing agreements totaled Lire 645 billion, compared with 529 billion in 1993, a rise of 22%.

Net income amounted to Lire 1,759 million, supporting a proposed dividend of 2.5%, the balance of net income being allocated to reserves.

CREDITCON S.p.A., Pisa. The Company's consumer credit business grew by a substantial 32.4% in 1994, to a total of Lire 400 billion, while factoring turnover amounted to 162 billion (7.8% up).

On 27 June 1994, an Extraordinary Meeting of the Shareholders approved an increase in share capital from Lire 6 billion to 16 billion; the first 5-billion lira tranche has been subscribed.

The increase was required to bring the company's equity into line with the capital adequacy ratio established by the Bank of Italy for factoring concerns.

Net income amounted to Lire 2,476 million. This amount will be retained, to strengthen the company's balance sheet.

CREDITO ITALIANO BANK AG, Frankfurt. The company's results were affected by writedown of receivables due to the insolvency of a debtor. The Parent Bank remitted DM 25.5 million (a 'balancing subvention') to the subsidiary to cover the loss, enabling the company to comply with local rules relating to foreign banks by reporting a technically breakeven result.

CREDITO ITALIANO DELAWARE INC., Wilmington. This subsidiary reported satisfactory 1994 results. Commercial paper in issue at the end of the year totaled US \$480 million.

Net income amounted to \$9,365.

CREDITO ITALIANO FINANCE CORPORATION LIMITED, Nassau. The company continued to focus on managing the portfolio of loans to Latin American countries. 1994 net income amounted to US \$17.7 million and has been retained.

CREDITO ITALIANO INTERNATIONAL LIMITED, London. Stockbroking and corporate finance are the basis of this company's operations, which again produced good results in 1994. Net income of £1.3 million enabled a dividend of 8% to be declared, leaving a balance for appropriation to reserves.

GESTICREDIT S.p.A., Milan. The trend among savers towards investment funds continued during 1994. At national level, net placings totalled Lire 25,000 billion, taking total funds under management within the system to Lire 130,000 billion (a rise of 18.2%).

Funds managed by Gesticredit grew by Lire 731 billion (12.9%), to 6,374 billion. Its market share declined, from 5.13% to 4.9%. Although its investment funds continued to rank in the middle-upper band of sector indexes, investor yields were less than satisfactory.

Of the net income of Lire 10.2 billion, 7 million will be appropriated to reserves, the balance being distributed as a dividend of 7%.

The company introduced the 'Gesticredit Privatisations' investment fund specialising in domestic and foreign securities available via Public Offer for sale. The new fund proved popular, attracting subscriptions totaling Lire 100 billion.

Further expansion of the range of funds is planned for 1995, including two new international equity-based funds with a geographical bias: Gesticredit Americas and Gesticredit Far East.

SIMCREDIT - SOCIETA' PER AZIONI DI INTERMEDIAZIONE MOBILIARE, Milan. Successful early privatisations and a surge in transactions in equities swelled the business volumes of the broking sector. Simcredit's share volumes leaped from Lire 10,840 billion in 1993 to 17,890 billion; in the case of bonds, the increase was from 16,590 billion to 22,510 billion. Total dealing volume was thus Lire 40,400 billion, against 27,430 billion in the previous year. The contribution margin jumped 45%, to Lire 48.1 billion.

Despite accelerating investment and information systems costs, net income amounted to Lire 12.9 billion; the dividend will be Lire 6 billion, the balance being allocated to reserves.

OTHER EQUITY INVESTMENTS

COMMERCIAL UNION VITA S.p.A., Milan. This company's policy portfolio grew significantly during 1994, accompanied by a 67% increase in premium income to Lire 90 billion. 1993's loss of Lire 18.7 billion was covered in full by the shareholders. The latter 'technical' loss was basically caused by expensing sales commissions as incurred, rather than spreading these over the life of the policies concerned.

The company increased its capital stock from Lire 10 billion to Lire 40 billion in January 1994.

CREDITO FONDIARIO E INDUSTRIALE FONSPA S.p.A., Rome. During 1994, the company received loan applications totaling some Lire 4,143 billion (4.7% higher than in 1993); lending outflows were 9.5% up, at Lire 1,481 billion.

In July 1994, the company issued a Lire 100-billion subordinated convertible bond. At Lire 13.4 billion, net income was 58.2% lower than in 1993, essentially due to writedowns of the securities and lending portfolios.

MEDIOBANCA BANCA DI CREDITO FINANZIARIO S.p.A., Milan. In the year ended 30 June 1994, the bank's lending portfolio rose 12.7% to Lire 17,318 billion; overall, funds sourcing was 8.3% higher, at 22,130 billion.

After writedowns of Lire 59.3 billion against securities and equity investments, and provisions to risk reserves of 84 billion, net income in 1993/94 amounted to 216 billion; 100 billion was allocated to the statutory reserve, while the dividend was unchanged at 20%.

The bank has increased its share capital from Lire 476 billion to 586 billion.

LOCAT LOCAZIONE ATTREZZATURE S.p.A., Turin. The latest available financial statements relate to 1993, and disclose net income of Lire 1,024 million; the company entered into leasing agreements worth a total of Lire 751 billion, 11% higher than in 1992. The corresponding total for 1994 was Lire 900 billion.

**RECENT EVENTS AND
GENERAL OUTLOOK**

A review of recent events and of prospects for 1995 is provided in the report on the Parent Bank.

20 March 1995

RONDELLI
Chairman

for THE BOARD OF DIRECTORS

BRUNO
Deputy Chairman / and Managing Director

Shareholders

The consolidated financial statements have been prepared in accordance with the provisions of Decree No. 87 of 27.1.92 and the enabling instructions issued by the Bank of Italy. They have been audited by KPMG Peat Marwick Fides s.n.c.

The report of the Directors on operations accompanying the consolidated financial statements describes the year's events affecting the Group and its principal companies, and refers the reader to the report on the Parent Bank for information regarding significant subsequent events.

On the basis of work performed in conjunction with the Independent Auditors, we confirm that the consolidation principles adopted (which are described in the Directors' report) comply with the relevant legislation and have been correctly applied.

The financial statements of all the consolidated companies have been audited, on a voluntary basis where not legally required. Consequently all the information submitted to the Parent Bank for consolidation purposes has been specifically examined by auditors of the companies concerned.

Given the above, we confirm that the consolidated financial statements reflect the accounting entries made by the Parent Bank and the information received from Group companies.

5 April 1995

THE BOARD OF STATUTORY AUDITORS

P. Costa (Chairman)

G. Arena

G. Armenise

S. Spiniello

G. Tomasin



Peat Marwick

Organizzazione e revisione contabile

KPMG Peat Marwick Fides s.n.c.
di Giuseppe Angiolini e C.
Via Vittor Pisani, 25
20124 Milano

Telefono (02) 67 63 1
Telefax (02) 67 63 24 45

Cod. Fisc. e IVA 00709600159
Sede legale:
Via Vittor Pisani, 25 - 20124 Milano

(TRANSLATION OF THE ITALIAN ORIGINAL
WHICH REMAINS THE DEFINITIVE VERSION)

REPORT OF THE INDEPENDENT AUDITORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
Pursuant to Art. 4 of Presidential Decree No. 136 of March 31, 1975

To the Stockholders of
Credito Italiano S.p.A.:

1. We have audited the consolidated financial statements of the Credito Italiano Group as of and for the year ended December 31, 1994. We have also checked the consistency of the Board of Directors' report on operations with the consolidated financial statements.
2. Our examination was made in accordance with the auditing standards and procedures recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") and included such tests as we considered necessary for the purposes of our engagement. The financial statements of certain subsidiary companies, the total assets and net incomes of which represent 7.7% and 28.6% respectively of the consolidated amounts, have been examined by other auditing firms, whose reports thereon have been furnished to us. Our opinion expressed in this report, insofar as it relates to the values of such companies included in the consolidation, is partly based on the work performed by such other auditing firms. For our opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as requested by the law, reference should be made to our auditors' report dated March 28, 1994.
3. In our opinion, the consolidated financial statements, taken as a whole, have been prepared clearly and give a true and fair view of the financial position and results of operations of the Group, in accordance with the law related to consolidated financial statements. Therefore, we certify the consolidated financial statements of the Credito Italiano Group as of December 31, 1994.



Membro della
Klynveld Peat Marwick Goerdefer

G. Angiolini
J. Agterberg
S. Bandini
M. Boella
B. Borgia
G.E.C. Burrows
G. Capiaghi
S. Capuano
A. Deegan

G.E. Esposito
M. Galanti
F. Garilli
G.P. Ghigo
D. Grassano
L.R. Guerini
D.J.B. Herrera
F. Iannoni Sebastianini
E. Invernizzi

G. Loli
A. Longo
F. Magni
B. Mastrangelo
S. Pallavicini
A. Panizza
P. Pascot
P. Portaluppi
S. Sanna

M. Santi
O. Scarpellini
G. Scimone
E. Shore
F. Spadaro
M. Tamborini
R. Todeschini
P.G. Valle
F. Zappellini

4. Attention is drawn to the fact, consistent with Consob communication DAC/RM/95001286 of February 15, 1995, that the Executive Committee of the Parent Bank has specifically authorized the transfer of securities to the investment portfolio; the reasons for this and the effect of the transfer on the financial statements are disclosed in the report on operations.

Milan, Italy, Aprile 5, 1995

KPMG Peat Marwick Fides s.n.c.
di Giuseppe Angiolini e C.

(Signed)

s/Lorenzo Renato Guerini- Partner

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1994

millions of Italian Lire

ASSETS

10. Cash and deposits with central banks and post offices		312,208
20. Treasury bills and similar bills eligible for refinancing with central banks		7,239,658
30. Due from banks:		44,433,322
a) on demand	1,564,958	
b) other	42,868,364	
40. Loans to customers including:		43,801,027
- loans using public funds	7,919	
50. Bonds and other debt securities:		14,538,038
a) public entities	11,458,960	
b) banks	1,834,818	
including:		
- own bonds	4,881	
c) financial institutions	517,980	
including:		
- own bonds	—	
d) other issuers	726,280	
60. Shares, quotas and other forms of capital		187,012
70. Equity investments		1,287,823
a) carried at equity	43,142	
b) other	1,244,681	
80. Investments in Group companies		5,189
a) carried at equity	5,189	
b) other	—	
90. Goodwill arising on consolidation		30,960
100. Goodwill arising on application of the equity method		4,899
110. Intangible fixed assets including:		166,302
- start-up costs	3,417	
- goodwill	10,380	
120. Tangible fixed assets		2,788,023
150. Other assets		5,278,024
160. Accrued income and prepaid expenses:		1,865,998
a) accrued income	1,544,963	
b) prepaid expenses	321,035	
including:		
- discount on issue of securities	7,244	
Total assets		121,938,483

LIABILITIES AND SHAREHOLDERS' EQUITY

10. Due to banks:		54,826,587
a) on demand	4,362,435	
b) term deposits or with notice period	50,464,152	
20. Due to customers:		34,689,641
a) on demand	24,990,925	
b) term deposits or with notice period	9,698,716	
30. Securities issued:		15,784,793
a) bonds	1,714,023	
b) certificates of deposit	13,440,004	
c) other	630,766	
40. Public funds administered		7,400
50. Other liabilities		5,926,060
60. Accrued expenses and deferred income:		1,579,570
a) accrued expenses	1,066,126	
b) deferred income	513,444	
70. Provision for employee termination indemnities		646,396
80. Provisions for risks and charges:		466,992
a) pensions and similar commitments	5,831	
b) taxation	243,114	
c) risks arising on consolidation	—	
d) other	218,047	
90. Reserve for possible loan losses		134,201
100. Reserve for general banking risks		9,231
110. Subordinated liabilities		1,990,750
140. Minority interests (+/-)		+ 186,908
150. Share capital		1,120,000
160. Share premium reserve		1,160,427
170. Reserves:		2,793,509
a) legal reserve	160,000	
b) reserve for the purchase of own shares	—	
c) statutory reserves	1,889,500	
d) other	744,009	
180. Revaluation reserves		550,724
190. Retained earnings		467
200. Net income for the year		64,827
Total liabilities and shareholders' equity		121,938,483

GUARANTEES AND COMMITMENTS

millions of Italian Lire

CAPTION

10. Guarantees given		15,744,011
including:		
- acceptances	119,049	
- other guarantees	15,624,962	
20. Commitments		10,342,845
including:		
- repurchase agreements	243,842	

CONSOLIDATED STATEMENT OF INCOME - 1994

millions of Italian Lire

CAPTION

10. Interest income and similar revenues		8,717,271
including from:		
- loans to customers	4,235,129	
- debt securities	2,166,061	
20. Interest expense and similar charges		6,034,547
including on:		
- amounts due to customers	1,509,893	
- securities issued	1,124,792	
30. Dividends and other revenues:		51,889
a) from shares, quotas and other forms of capital	17,681	
b) from equity investments	20,545	
c) from investments in Group companies	13,663	
40. Commission income		869,963
50. Commission expense		123,591
60. Profits (losses) on financial transactions		(498,897)
70. Other operating income		776,153
80. Administrative costs:		2,588,347
a) payroll	1,745,267	
including:		
- wages and salaries	1,163,862	
- social security charges	487,708	
- provisions for employee termination indemnities	93,361	
- provisions for pensions and similar commitments	336	
b) other	843,080	
90. Adjustments to intangible and tangible fixed assets		656,398
100. Provisions for risks and charges		24,627
110. Other operating expenses		38,562
120. Adjustments to loans and provisions for guarantees and commitments		444,538
130. Writeback of loans and provisions for guarantees and commitments		216,191
140. Provisions for possible loan losses		13,916
150. Adjustments to financial fixed assets		169,818
160. Writeback of financial fixed assets		68,490
170. Income from investments carried at equity		2,605
180. Income from operating activities		109,321
190. Extraordinary income		220,594
200. Extraordinary charges		171,243
210. Extraordinary income, net		49,351
230. Change in reserve for general banking risks		+ 6,137
240. Income taxes		93,399
250. Income (loss) attributable to minority shareholders		(5,691)
260. Net income for the year		64,827

Deputy Chairman/Managing Director

Chief Accountant

Bruno

Arbuffo

213

CONSOLIDATED BALANCE SHEETS
(as at 31 December 1994 and 1993)

millions of Italian Lire

ASSETS	Amounts as at 31/12/1994	Amounts as at 31/12/1993
10. Cash and deposits with central banks and post offices	312,208	265,522
20. Treasury bills and similar bills eligible for refinancing with central banks	7,239,658	15,331,475
30. Due from banks:	44,433,322	40,207,481
a) on demand	1,564,958	2,726,988
b) other	42,868,364	37,480,493
40. Loans to customers including:	43,801,027	50,572,980
- loans using public funds	7,919	15,844
50. Bonds and other debt securities:	14,538,038	3,660,057
a) public entities	11,458,960	1,166,629
b) banks	1,834,818	771,012
including:		
- own bonds	4,881	44,907
c) financial institutions	517,980	41,664
including:		
- own bonds	—	—
d) other issuers	726,280	1,680,752
60. Shares, quotas and other forms of capital	187,012	264,274
70. Equity investments	1,287,823	926,491
a) carried at equity	43,142	45,596
b) other	1,244,681	880,895
80. Investments in Group companies	5,189	10,438
a) carried at equity	5,189	10,438
b) other	—	—
90. Goodwill arising on consolidation	30,960	23,968
100. Goodwill arising on application of the equity method	4,899	1,788
110. Intangible fixed assets	166,302	140,374
including:		
- start-up costs	3,417	958
- goodwill	10,380	14,902
120. Tangible fixed assets	2,788,023	2,734,306
150. Other assets	5,278,024	6,195,511
160. Accrued income and prepaid expenses:	1,865,998	1,962,755
a) accrued income	1,544,963	1,591,254
b) prepaid expenses	321,035	371,501
including:		
- discount on issue of securities	7,244	7,033
Total assets	121,938,483	122,297,420

millions of Italian Lire

LIABILITIES AND SHAREHOLDERS' EQUITY		Amounts as at 31/12/1994	Amounts as at 31/12/1993
Due to banks:		54,826,587	57,880,961
a) on demand	4,362,435		4,854,597
b) term deposits or with notice period	50,464,152		53,026,364
Due to customers:		34,689,641	33,113,197
a) on demand	24,990,925		23,559,626
b) term deposits or with notice period	9,698,716		9,553,571
Securities issued:		15,784,793	15,378,582
a) bonds	1,714,023		1,815,368
b) certificates of deposit	13,440,004		13,048,241
c) other	630,766		514,973
Public funds administered		7,400	21,779
Other liabilities		5,926,060	5,574,738
Accrued expenses and deferred income:		1,579,570	1,745,831
a) accrued expenses	1,066,126		1,262,639
b) deferred income	513,444		483,192
Provision for employee termination indemnities		646,396	639,135
Provisions for risks and charges:		466,992	1,009,205
a) pensions and similar commitments	5,831		1,818
b) taxation	243,114		853,873
c) risks arising on consolidation	—		—
d) other	218,047		153,514
Reserve for possible loan losses		134,201	557,036
Reserve for general banking risks		9,231	3,095
Subordinated liabilities		1,990,750	1,492,925
Minority interests (+/-)		+ 186,908	+ 125,375
Share capital		1,120,000	800,000
Share premium reserve		1,160,427	477,500
Reserves:		2,793,509	2,651,440
a) legal reserve	160,000		320,000
b) reserve for the purchase of own shares	—		—
c) statutory reserves	1,889,500		1,647,500
d) other	744,009		683,940
Revaluation reserves		550,724	551,525
Retained earnings		467	242
Net income for the year		64,827	274,854
Total liabilities and shareholders' equity		121,938,483	122,297,420

GUARANTEES AND COMMITMENTS

millions of Italian Lire

GUARANTEES AND COMMITMENTS		Amounts as at 31/12/1994	Amounts as at 31/12/1993
Guarantees given		15,744,011	14,011,880
including:			
- acceptances	119,049		322,160
- other guarantees	15,624,962		13,689,720
Commitments		10,342,845	9,320,316
including:			
- repurchase agreements	243,842		36,398

Deputy Chairman/Managing Director

Bruno

Chief Accountant

Arbuffo

CONSOLIDATED STATEMENTS OF INCOME
(for the years ended 31 December 1993 and 1994)

millions of Italian Lire

CAPTION	1994	1993
10. Interest income and similar revenues including from:	8,717,271	10,147,743
- loans to customers	4,235,129	5,739,318
- debt securities	2,166,061	1,930,191
20. Interest expense and similar charges including on:	6,034,547	7,401,032
- amounts due to customers	1,509,893	1,818,761
- securities issued	1,124,792	1,494,534
30. Dividends and other revenues:	51,889	50,445
a) from shares, quotas and other forms of capital	17,681	17,522
b) from equity investments	20,545	25,680
c) from investments in Group companies	13,663	7,243
40. Commission income	869,963	781,293
50. Commission expense	123,591	149,160
60. Profits (losses) on financial transactions	(498,897)	690,340
70. Other operating income	776,153	667,304
80. Administrative costs:	2,588,347	2,568,976
a) payroll including:	1,745,267	1,714,760
- wages and salaries	1,163,862	1,125,821
- social security charges	487,708	493,004
- provisions for employee termination indemnities	93,361	94,485
- provisions for pensions and similar commitments	336	1,082
b) other	843,080	854,216
90. Adjustments to intangible and tangible fixed assets	656,398	550,919
100. Provisions for risks and charges	24,627	39,812
110. Other operating expenses	38,562	31,987
120. Adjustments to loans and provisions for guarantees and commitments	444,538	523,915
130. Writeback of loans and provisions for guarantees and commitments	216,191	16,588
140. Provisions for possible loan losses	13,916	52,889
150. Adjustments to financial fixed assets	169,818	110,650
160. Writeback of financial fixed assets	68,490	—
170. Income from investments carried at equity	2,605	(777)
180. Income from operating activities	109,321	923,596
190. Extraordinary income	220,594	142,284
200. Extraordinary charges	171,243	77,278
210. Extraordinary income, net	49,351	65,006
230. Change in reserve for general banking risks	+ 6,137	+ 3,095
240. Income taxes	93,399	705,389
250. Income (loss) attributable to minority shareholders	(5,691)	5,264
260. Net income for the year	64,827	274,854

Deputy Chairman/Managing Director

Chief Accountant

**EXPLANATORY
NOTES****PART A) ACCOUNTING POLICIES**

Section 1	Explanation of the accounting policies adopted
Section 2	Fiscal adjustments and provisions

PART B) INFORMATION REGARDING THE CONSOLIDATED BALANCE SHEET

Section 1	Loans
Section 2	Securities
Section 3	Equity investments
Section 4	Tangible and intangible fixed assets
Section 5	Other assets
Section 6	Payables
Section 7	Provisions
Section 8	Share capital, reserves, reserve for general banking risks and subordinated liabilities
Section 9	Other liabilities
Section 10	Guarantees and commitments
Section 11	Concentration and distribution of assets and liabilities
Section 12	Administration and dealing on behalf of third parties

PART C) INFORMATION REGARDING THE CONSOLIDATED STATEMENT OF INCOME

Section 1	Interest
Section 2	Commission
Section 3	Profits (losses) on financial transactions
Section 4	Administrative costs
Section 5	Adjustments, writebacks and provisions
Section 6	Other statement of income captions
Section 7	Other information regarding the statement of income

PART D) OTHER INFORMATION

Section 1	Directors and Statutory Auditors
-----------	----------------------------------

**PART A)
ACCOUNTING
POLICIES**

Section 1 - Explanation of the accounting policies adopted

Assets, liabilities and memorandum accounts are valued separately, in accordance with current legislation, although interrelated amounts are treated on a consistent basis.

Hedging transactions give rise to a series of interrelated balances.

1. Loans - Guarantees and commitments

These are stated at estimated realizable value, taking account of market prices, where applicable, considering:

- a) the solvency of borrowers;
- b) the difficulty in servicing debt encountered by the countries of residence of such borrowers.

Provisions made with respect to point b) are determined on an overall basis (as a percentage of the capital outstanding), using criteria agreed within the banking system to identify the countries at risk and their respective levels of solvency.

2. Securities and off-balance sheet transactions (excluding currency hedges)

2.1 Investment securities

Investment securities are stated at purchase cost as written down, where appropriate, to reflect any permanent reduction in the solvency of the issuer and the ability to repay debt of the issuer's country of residence, taking account of available guarantees.

Purchase cost is also adjusted by the accrued difference between such original cost and the higher/lower redemption value of the securities.

Cost is determined with reference to the moving weighted average prices identified on a daily basis.

2.2 Dealing securities

Dealing securities are valued as follows:

- a) at market value, if listed on organised markets;
- b) at the lower of purchase cost or market value, otherwise.

Cost is determined with reference to the moving weighted average prices identified on a daily basis, as adjusted by the accrued difference between the issue and redemption prices of the securities concerned (issue discount/premium).

Market value is determined as follows:

- a) securities listed on Italian or foreign organised markets are stated at their average prices during the last month of the year;
- b) securities not listed on Italian or foreign organised markets are stated at their estimated realisable value.

Realisable value is estimated with reference to:

- the market performance of securities with similar characteristics that are listed on Italian or foreign organised markets;
- the solvency of the issuer;
- the difficulty in servicing debt faced by the issuer's country of residence;
- other objective factors.

Off-balance sheet transactions (excluding currency hedges) involving investment securities are valued at the contract value, both in the case of unsettled repurchase agreements and in the case of derivative contracts backed by underlying securities.

Off-balance sheet transactions (excluding currency hedges) not involving investment securities are valued as follows:

- unsettled repurchase agreements:
- involving securities listed on organised markets are stated at market value, being the year-end prices for maturities corresponding to those underlying the contracts concerned;
- involving securities not listed on organised markets are stated at the lower of contract value or market value, in the case of purchases, and the higher of these two values in the case of sales. Market value is determined on the basis described for unquoted dealing securities and in the previous paragraph;
- derivative contracts backed by securities or linked to interest rates, indices or other assets:
- are stated at market value, if listed on organised markets or priced with reference to parameters that are either quoted or identifiable from information sources normally used at an international level;
- if unlisted, are stated at the lower of contract value or market value in the case of purchases, and the higher of these two values in the case of sales.

3. Equity investments

Investments in companies subject to significant influence are carried at equity.

Holdings comprising less than 20% of the related ordinary share capital are stated at cost, as adjusted to take account of any writedowns required.

Investments in subsidiaries that are insignificant or whose activities are dissimilar to those of the rest of the Group are carried at equity; holdings in minor companies subject to significant influence, those due to be sold, and those for which it is difficult to obtain accounting information are carried at cost.

4. Foreign currency assets and liabilities (including off-balance sheet transactions)

Assets and liabilities denominated in foreign currency are valued using the spot exchange rates prevailing at year-end.

Financial, tangible and intangible fixed assets whose value is not hedged on an overall or specific basis in the spot or forward markets are stated using the exchange rates prevailing at the time they were purchased.

Foreign currency borrowing to back Italian Lire loans granted with State guarantees against foreign exchange risk is stated using the exchange rates prevailing at the time such loans were arranged.

Off-balance sheet transactions in foreign currency are valued as follows:

- at the spot exchange rate prevailing at year-end, in the case of unsettled spot transactions;
- at the forward rate at the year-end date for maturities corresponding to those underlying the transactions concerned.

5. Tangible fixed assets

Tangible fixed assets are recorded at purchase cost, including related expenses, as adjusted by subsequent incremental expenditure and by the effect of any revaluations pursuant to related legislation.

Tangible fixed assets with a limited life are depreciated on a systematic basis each year with reference to their residual useful lives.

Tangible fixed assets are written down to reflect any permanent reduction in their value with respect to the cost or net book value determined on the basis described above.

6. Intangible fixed assets

Goodwill is amortised over five years.

The cost of rights to use patents, intellectual property, licences, trademarks and similar assets is amortised on a systematic basis each year with reference to their residual useful lives.

Start-up and expansion costs, research and development and other deferred costs are amortised over a period not exceeding five years.

As an exception, leasehold improvements deferred up until the end of 1992 are amortised over the rental period.

Section 2 - Fiscal adjustments and provisions

2.1 Adjustments recorded solely for fiscal purposes

No such adjustments have been made.

2.2 Provisions recorded solely for fiscal purposes

The provisions recorded solely for fiscal purposes total Lire 13,916 million and are classified in caption 140 of the statement of income.

**PART B)
INFORMATION
REGARDING
THE CONSOLIDATED
BALANCE SHEET**

Section 1 Loans

1.1 Analysis of caption 30 "Due from banks"

millions of Italian Lire

Amounts as at 31.12.94

a) deposits with central banks	3,819,328
b) bills eligible for refinancing with central banks	—
c) finance leasing contracts	—
d) repurchase agreements	1,447,176
e) loan of securities	—

1.2 Analysis of caption 40 "Loans to customers"

millions of Italian Lire

Amounts as at 31.12.94

a) bills eligible for refinancing with central banks	216,015
b) finance leasing contracts	—
c) repurchase agreements	1,526,016
d) loan of securities	—

1.3 "Secured loans to customers"

millions of Italian Lire

Amounts as at 31.12.94

a) loans secured by mortgages	6,190,506
b) loans secured by:	
1. cash deposits	431,818
2. securities	1,795,206
3. other assets	65,165
c) loans secured by guarantees from:	
1. governments	485,628
2. other public bodies	43,827
3. banks	301,233
4. other operators	6,271,556
Total	15,584,939

1.4 Non-performing loans (including default interest)

millions of Italian Lire

Amounts as at 31.12.94

a) non-performing loans (including default interest)	1,644,149
--	-----------

1.5 Outstanding default interest

millions of Italian Lire

Amounts as at 31.12.94

a) non-performing loans	25,144
b) other loans	—

Analysis of caption 10 "Cash and deposits with central banks and post offices"

millions of Italian Lire

	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Notes and coins	223,417	65,980	289,397
Accounts with the Treasury, Cassa Depositi e Prestiti, postal savings banks and the Italian Exchange Office	3,596	—	3,596
Deposits with the Bank of Italy and other central banks	1,125	18,090	19,215
Total	228,138	84,070	312,208

Analysis of caption 30 "Due from banks"

millions of Italian Lire

	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Due from central banks	3,796,600	22,728	3,819,328
Repurchase agreements	908,682	538,494	1,447,176
Deposits	12,064,226	24,753,079	36,817,305
Loans granted	259,814	1,383,164	1,642,978
Current accounts for services	378,485	322,026	700,511
Non-performing loans	—	—	—
Other transactions	5,925	99	6,024
Total	17,413,732	27,019,590	44,433,322

Analysis of caption 40 "Loans to customers"

millions of Italian Lire

	Amounts as at 31.12.94		Total
	Lire	Foreign currency	
Bills eligible for refinancing with central banks	216,015	—	216,015
Portfolio risk	303,145	46,790	349,935
Repurchase agreements	1,494,174	31,842	1,526,016
Current accounts	10,964,805	5,113,262	16,078,067
Secured mortgages	5,159,355	341,361	5,500,716
Other loans	3,008,859	2,753,224	5,762,083
Other non-overdraft lending	7,688,260	3,320,163	11,008,423
Non-performing loans	1,552,833	91,316	1,644,149
Other transactions	1,613,387	102,236	1,715,623
Total	32,000,833	11,800,194	43,801,027

Section 2 - Securities

2.1 Investment securities

millions of Italian Lire		
Amounts as at 31/12/1994		
	Book value	Market value(*)
1 Debt securities	5,809,689	5,556,271
1.1 Government securities	3,091,807	3,099,532
- listed	2,663,454	2,671,534
- unlisted	428,353	427,998
1.2 Other securities	2,717,882	2,456,739
- listed	1,536,604	1,434,216
- unlisted	1,181,278	1,022,523
2 Other forms of capital	—	—
- listed	—	—
- unlisted	—	—
Total	5,809,689	5,556,271

(*) Defined in Part A) Section 1, "Explanation of the accounting policies adopted".

2.2 Changes in investment securities

		millions of Italian Lire
A	Balance at beginning of year	6,107,834
B.	Increases	3,132,728
B.1	Purchases	2,514,697
B.2	Writebacks	68,490
B.3	Transfers from dealing portfolio	421,428
B.4	Other changes	128,113
C.	Decreases	3,430,873
C.1	Sales	1,912,856
C.2	Redemptions	1,422,197
C.3	Adjustments	29,039
	including: permanent writedowns	29,039
C.4	Transfers to dealing portfolio	13,283
C.5	Other changes	53,498
D.	Balance at end of year	5,809,689

These movements are described in detail in the financial statements of the companies concerned.

2.3 Dealing securities

millions of Italian Lire		
Amounts as at 31.12.94		
	Book value (1)	Market value(*)
1 Debt securities	15,968,007	15,968,745
1.1 Government securities	14,816,840	14,817,008
- listed	13,207,771	13,207,927
- unlisted	1,609,069	1,609,081
1.2 Other securities	1,151,167	1,151,737
- listed	828,090	828,218
- unlisted	323,077	323,519
2 Other forms of capital	187,012	162,231
- listed	115,630	90,771
- unlisted	71,382	71,560
Total	16,155,019	16,131,076

(1) The 0.28% investment in Credito Fondiario e Industriale FONSPA S.p.A., held for dealing purposes, has been valued at the lower of LIFO cost or market value.

The shares in Ferruzzi Finanziaria are stated at cost since they will be transferred to caption 70 "Equity investments", which includes a prudent general provision for unrealised losses.

(*) Defined in Part A) Section 1, "Explanation of the accounting policies adopted".

2.4 Changes in dealing securities

millions of Italian Lire

A.	Balance at beginning of year	13,147,972
B.	Increases	235,543,579
B.1	Purchases	235,501,622
	- Debt securities	231,589,163
	<i>Government securities</i>	207,606,445
	<i>other securities</i>	23,982,718
	- Other forms of capital	3,912,459
B.2	Writebacks and revaluations	5,470
B.3	Transfers from investment portfolio	13,283
B.4	Other changes	23,204
C.	Decreases	232,536,532
C.1	Sales and redemptions	231,539,188
	- Debt securities	227,503,560
	<i>Government securities</i>	198,255,028
	<i>other securities</i>	29,248,532
	- Other forms of capital	4,035,628
C.2	Adjustments and writedowns	290,453
C.3	Transfers to investment portfolio	421,428
C.4	Other changes	285,463
D.	Balance at end of year	16,155,019

Section 3 - Equity investments

3.1 Significant investments

millions of Italian Lire

Name	Registered Office	Nature of holding (1)	Net worth (a) as at 31.12.94			Investment owner %	GM voting rights	Book value
A. Consolidated companies								
A.1 Line-by-line								
1) Credito Italiano,	Genoa							
2) Banca Creditwest e dei Comuni Vesuviani S.p.A.,	Milan	1	115,515	- 29,425	Credit	68.04	68.04	xxx
3) Banca Cattolica S.p.A.,	Molfetta	2	95,088	- 3,424	Credit	35.00	35.00	xxx
4) Banca Popolare di Spoleto S.p.A.,	Spoleto	2	103,508	4,033	Credit	28.90	28.90	xxx
5) Credito Italiano Finance Corporation Limited,	Nassau	1	72,908	28,898	Credit	100.00	100.00	xxx
6) Credito Italiano Bank A.G.,	Frankfurt	1	36,368	—	Credit	100.00	100.00	xxx
7) Banque Transatlantique de Monaco,	de Monaco,	1	12,757	407	Credit	100.00	100.00	xxx
8) Cordusio Società Fiduciaria per Azioni,	Milan	1	6,280	113	Credit	100.00	100.00	xxx
9) Gesticredit S.p.A.,	Milan	1	39,585	10,195	Credit	100.00	100.00	xxx
10) SIMCREDIT Società per azioni di Intermediazione Mobiliare,	Milan	1	34,471	12,858	Credit	73.10	73.10	xxx
11) Credit Consult Società per azioni di Intermediazione Mobiliare S.p.A.,	Milan	1	14,660	- 1,293	Credit	70.00	70.00	xxx
12) Credit Factoring International Società per il Factoring Internazionale S.p.A.,	Milan	1	30,810	1,032	Credit	100.00	100.00	xxx
13) Credit Leasing Società per il Leasing Finanziario S.p.A.,	Milan	1	54,985	1,759	Credit	100.00	100.00	xxx
14) Creditcon S.p.A.,	Pisa	1	19,106	2,476	Credit	100.00	100.00	xxx
15) Credit Fiduciaria S.p.A.,	Milan	1	2,091	419	Credit	100.00	100.00	xxx
16) Credito Italiano Delaware Inc.,	Wilmington	1	83	15	Credit	100.00	100.00	xxx
17) Credito Italiano International Limited,	London	1	39,343	3,350	Credit	100.00	100.00	xxx
A.2 Proportional basis								
1) Credito Fondiario e Industriale FONSPA S.p.A.	Rome	7	705,087	13,420	Credit	26.30	26.30	xxx
B. Equity method								
1) Broker Credit Gestione Polizze di Assicurazione S.p.A.,	Milan	1	1,979	5,555	Credit	70.00	70.00	xxx
2) Commercial Union Assurance Holding S.p.A.,	Milan	8	4,856	- 56	Credit	30.00	30.00	xxx
3) Commercial Union Life Holding S.p.A.,	Milan	8	9,121	- 1,879	Credit	30.00	30.00	xxx
4) Commercial Union Vita S.p.A.,	Milan	8	35,996	- 4,004	Credit	30.00	30.00	xxx
5) Data Management S.p.A.,	Milan	8	18,971	1,316	Credit	39.00	39.00	xxx
6) Locat Locazione Attrezzature S.p.A.,	Turin	8 (c)	86,948	1,024	Credit	22.82	22.82	xxx
7) Serfinim S.p.A.,	Rome	8	1,004	- 36	Credit	33.33	33.33	xxx
8) Serfinim S.p.A.,	Rome	8	1,004	- 36	Credit Fondiario	8.77	8.77	xxx
9) CPS PRO SERVICE GmbH (in liquidation),	Frankfurt	1	110	—	Credit Italian Bank A.G.	100.00	100.00	xxx
10) ART S.p.A. (in liquidation),	Bari	1	• •	• •	Bank Cattolica	100.00	100.00	xxx
C. Other significant investments								
1) Bonifiche Siele Finanziaria S.p.A.,	Rome	8 (c)	366,209	5,091	Credit	14.82	20.11	130,137
2) La Compagnie Fiduciaire S.p.A. (in liquidation),	Milan	8 (c)	122	- 2,291	Credit	30.00	30.00	• •
3) Italcadano Universal Giunti S.p.A.,	Pero (Milan)	8 (c)	10,456	- 327	Credit	20.00	20.00	2,155
4) Packintec S.r.l.,	Milan	8	94	- 1	Credit	21.55	21.55	22
5) Sci Gardino S.r.l.,	Genoa	8 (c)	12,237	- 889	Credot	20.00	20.00	2,447
6) Società Riscossione Tributi,	Foligno (PG)	8	1,013	—	B. Pop. Spoleto	20.06	20.00	283
7) Centrale GPA S.p.A.,	Pesaro	8	218	341	B Pop. Spoleto	20.50	20.50	77
8) Société Anonyme de Gestion Financière,	Montecarlo	8 (c)	171	11	B. Trans. Monaco	39.89	39.89	61
9) Credito Italiano Nominees Limited,	London	1	• •	• •	Credit (b)	50.00	50.00	• •

(1) Nature of holding

- 1 = control per Art. 2359.1.1 of the Civil Code (majority of voting rights)
 2 = control per Art. 2359.1.2 of the Civil Code (dominant influence at ordinary meetings)
 3 = control per Art. 23.2.1 of consolidated tax law (agreement with other shareholders)
 4 = other forms of control
 5 = under same management per Art. 26.1 of Decree 87/92
 6 = under same management per Art. 26.2 of Decree 87/92
 7 = joint control
 8 = associated company

- (a) As at 31.12.94, after allocation of net income
 (b) More than 50% held via a trust company
 (c) As at 31.12.93

3.2 Amounts due to and from Group companies

millions of Italian Lire

Amounts as at 31.12.94

a) Amounts due from Group companies	
1. due from banks	—
of which: subordinated	—
2. due from financial institutions	—
of which: subordinated	—
3. loans to other customers	2,478
of which: subordinated	—
4. bonds and other debt securities	—
of which: subordinated	—
Total	2,478
b) Amounts due to Group companies	
1. due to banks	—
2. due to financial institutions	110
3. due to other customers	15,406
4. securities issued	—
5. subordinated liabilities	—
Total	15,516
c) Guarantees and commitments	
1. Guarantees given	324
2. Commitments	—
Total	324

The above amounts relate to non-consolidated Group companies (ART S.p.A., CPS Pro Service and Broker Credit).

3.3 Amounts due to and from affiliated companies (not Group companies)

millions of Italian Lire

Amounts as at 31.12.94

a) Amounts due from affiliated companies	
1. due from banks (*)	4,148,263
of which: subordinated	—
2. due from financial institutions	540,910
of which: subordinated	—
3. loans to other customers	558,547
of which: subordinated	—
4. bonds and other debt securities	313,333
of which: subordinated	—
Total	5,561,053
b) Amounts due to affiliated companies	
1. due to banks (*)	5,534,618
2. due to financial institutions	62,215
3. due to other customers	8,314
4. securities issued	25,000
5. subordinated liabilities	—
Total	5,630,147
c) Guarantees and commitments	
1. Guarantees given	130,174
2. Commitments	79,486
Total	209,660

(*) including the Bank of Italy

3.4 Analysis of caption 70 "Equity investments"

millions of Italian Lire

Amounts as at 31.12.94

a) banks	637,922
1. listed	625,976
2. unlisted	11,946
b) financial institutions	237,870
1. listed	191,051
2. unlisted	46,819
c) other	412,031
1. listed	317,648
2. unlisted	94,383
Total	1,287,823

These investments are detailed in an attachment.

3.5 Analysis of caption 80 "Investments in Group companies"

millions of Italian Lire

% held Amounts as at 31.12.94

a) banks			
1. listed			—
2. unlisted			—
b) financial institutions			110
1. listed			—
2. unlisted			110
CPS PRO SERVICE			
(in liquidation), Frankfurt	100.00%	110	
c) other			5,079
1. listed			—
2. unlisted			5,079
BROKER CREDIT, Milan	70.00%	5,079	
ART S.p.A. (in liquidation),			
Bari	100.00%	—	
Total			5,189

3.6 Changes in equity investments

3.6.1 Investments in Group companies

millions of Italian Lire

A. Balance at beginning of year	10,438
B. Increases	6
B.1 Purchases	—
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	6
C. Decreases	5,255
C.1 Sales	—
C.2 Adjustments	—
including: permanent writedowns	—
C.3 Other changes	(*) 5,255
D. Balance at end of year	5,189
E. Total revaluations	—
F. Total adjustments	—

(*) including Lire 4,943 million on the merger of Generale Immobiliare.

3.6.2 Other investments

	millions of Italian Lire
A. Balance at beginning of year	926,491
B. Increases	530,828
B.1 Purchases	526,061
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	4,767
C. Decreases	169,496
C.1 Sales	32,785
C.2 Adjustments	127,205
including: permanent writedowns	127,205
C.3 Other changes	9,506
D. Balance at end of year	1,287,823
E. Total revaluations	—
F. Total adjustments	132,202

Section 4 - Tangible and intangible fixed assets

4.1 Changes in tangible fixed assets

millions of Italian Lire

A. Balance at beginning of year	2,734,306
B. Increases	866,619
B.1 Purchases	856,446
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	10,173
C. Decreases	812,902
C.1 Disposals	108,462
C.2 Adjustments:	582,001
a) depreciation	582,001
b) permanent writedowns	—
C.3 Other changes	122,439
D. Balance at end of year	2,788,023
E. Total revaluations	823,239
F. Total adjustments	1,876,413
a) accumulated depreciation	1,876,413
b) permanent writedowns	—

The changes are summarised by asset category below:

millions of Italian Lire

	PROPERTY	OPERATING ASSETS	INSTALLATIONS	TOTAL
A. Balance at beginning of year	1,573,848	990,142	170,316	2,734,306
B. Increases	141,428	616,341	108,850	866,619
B.1 Purchases	137,027	615,771	103,648	856,446
B.2 Writebacks	—	—	—	—
B.3 Revaluations	—	—	—	—
B.4 Other changes	4,401	570	5,202	10,173
C. Decreases	123,641	526,660	162,601	812,902
C.1 Disposals	7,460	95,027	5,975	108,462
C.2 Adjustments	100,853	372,824	108,324	582,001
a) depreciation	100,853	372,824	108,324	582,001
b) permanent writedowns	—	—	—	—
C.3 Other changes	15,328	58,809	48,302	122,439
D. Balance at end of year	1,591,635	1,079,823	116,565	2,788,023
E. Total revaluations	822,213	—	1,026	823,239
F. Total adjustments	513,512	819,140	543,761	1,876,713
a) accumulated depreciation	513,512	819,140	543,761	1,876,713
b) permanent writedowns	—	—	—	—

4.2 Changes in intangible fixed assets

millions of Italian Lire

A. Balance at beginning of year	140,374
B. Increases	105,979
B.1 Purchases	104,519
B.2 Writebacks	—
B.3 Revaluations	—
B.4 Other changes	1,460
C. Decreases	80,051
C.1 Disposals	—
C.2 Adjustments:	74,397
a) amortisation	74,397
b) permanent writedowns	—
C.3 Other changes	5,654
D. Balance at end of year	166,302
E. Total revaluations	—
F. Total adjustments	195,977
a) accumulated amortisation	195,977
b) permanent writedowns	—

Intangible fixed assets comprise:

millions of Italian Lire

Amounts as at 31.12.94

Intangible assets	52,825
Goodwill	10,380
Other deferred charges	103,097
Total	166,302

Section 5 - Other assets

5.1 Analysis of caption 150 "Other assets"

	millions of Italian Lire
	Amounts as at 31.12.94
Guarantee deposits	50,290
Items of a fiscal nature	1,242,608
Items being processed	267,903
Items which cannot be classified elsewhere	607,962
Items in transit between branches	433,522
Items arising from the valuation of off-balance sheet transactions (forward exchange transactions and derivatives)	1,608,528
- customers	175,121
- banks	1,433,407
Other items	1,067,211
Total	5,278,024

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

	millions of Italian Lire
	Amounts as at 31.12.94
ACCRUED INCOME	
interest on portfolio securities	684,127
interest on amounts due from banks	552,920
interest on amounts due from customers	245,639
other	62,277
Total accrued income	1,544,963
PREPAID EXPENSES	
advance rentals	5,564
derivative contracts	271,271
other	44,200
Total prepaid expenses	321,035
Total accrued income and prepaid expenses	1,865,998

Accruals and deferrals are recorded in accordance with the matching principle and with art. 2424bis of the Italian Civil Code.

5.3 Adjustments for accrued income and prepaid expenses

No adjustments have been made directly to asset and liability balances to reflect accruals or prepayments, except for Lire 53,941 million relating to Creditcon, debited to "Loans to customers".

5.4 Analysis of subordinated assets

	millions of Italian Lire
	Amounts as at 31.12.94
a) due from banks	—
b) loans to customers	1,028
c) bonds and other debt securities	100,000
Total	101,028

Section 6 - Payables

6.1 Analysis of caption 10 "Due to banks"

	millions of Italian Lire
	Amounts as at 31.12.94
a) repurchase agreements	4,750,619
b) loan of securities	—

6.2 Analysis of caption 20 "Due to customers"

	millions of Italian Lire
	Amounts as at 31.12.94
a) repurchase agreements	3,313,319
b) loan of securities	—

Further details about caption 10 "Due to banks"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Deposits	13,875,965	31,758,336	45,634,301
Current accounts for services	1,776,383	116,875	1,893,258
Advances from the Bank of Italy and other amounts due to central banks	93,920	1,165,516	1,259,436
Repurchase agreements	4,575,667	174,952	4,750,619
of which: with the Bank of Italy	4,568,470	—	4,568,470
Other	669,788	619,185	1,288,972
Total	20,991,723	33,834,864	54,826,587

Further details about caption 20 "Due to customers"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Deposits	5,187,820	298,818	5,486,638
Current accounts	20,225,024	4,593,487	24,818,511
Repurchase agreements	2,592,750	720,569	3,313,319
Other	270,869	800,304	1,071,173
Total	28,276,463	6,413,178	34,689,641

Analysis of caption 30 "Securities issued"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
Bonds	1,714,023	—	1,714,023
Certificates of deposit	9,728,800	3,711,204	13,440,004
Other securities	585,343	45,423	630,766
Total	12,028,166	3,756,627	15,784,793

Analysis of caption 40 "Public funds administered"

	millions of Italian Lire		
	Amounts as at 31.12.94		
	Lire	Foreign currency	Total
received from the State	6,936	—	6,936
received from regional government and other agencies	464	—	464
Total	7,400	—	7,400

Section 7 - Provisions

7.1 Analysis of caption 90 "Reserves for possible loan losses"

millions of Italian Lire

Amounts as at 31.12.94

Reserves for possible loan losses	134,201
-----------------------------------	---------

7.2 Changes in the "Reserves for possible loan losses" (caption 90)

millions of Italian Lire

A. Balance at beginning of year	557,036
B. Increases	13,916
B.1 Provisions	13,916
B.2 Other changes	—
C. Decreases	436,751
C.1 Utilizations	379,663
C.2 Other changes	57,088
D. Balance at end of year	134,201

7.3 Analysis of caption 80 c) "Provisions for risks and charges: Other provisions"

millions of Italian Lire

Amounts as at 31.12.94

Provision for guarantees and commitments:	
- specific losses	23,715
- general "country" risks	7,231
- other general risks	2,377
	33,323
Other provisions for risks and charges:	
- expected charges arising from current legal disputes	69,780
- expected charges in relation to events to be clarified	10,000
- expected charges (interest) in relation to Sofinpar assessment	16,250
- provisions made by foreign branches in accordance with local requirements.	12,930
- other	75,764
	18,724
Total	218,047

7.4 Analysis of caption 80 b) "Provisions for risks and charges: taxation"

millions of Italian Lire

Amounts as at 31.12.94

Income taxes for the year	93,717
Capital taxes	49,339
Other taxes	35,058
Prudent provision following an assessment relating to 1987 received from the Genoa tax inspectors in December 1993	65,000
Total (*)	243,114

(*) including advances of Lire 86,734 million

Section 8 - Share capital, reserves, reserve for general banking risks and subordinated liabilities

Analysis of caption 100 "Reserve for general banking risks"

	millions of Italian Lire
Amount as at 31.12.1994	9,231
of which:	
- Banca Crediwest e dei Comuni Vesuviani	893
- Banca Popolare di Spoleto	1,000
- Credito Italiano Bank - A.G.	2,338
- Credit Factoring	3,000
- Creditcon	2,000

Analysis of caption 110 "Subordinated liabilities"

a) Amount, currency, interest rate, maturity date and Italian Lira equivalent:

				millions of Italian Lire
Amount in	Currency original currency	Rate	Maturity	Book value as at 31.12.94
1) 08.08.2000	LIBOR + 0.40% p.a.		100,000,000	162,974
2) 29.08.2000	min. LIBOR + 0.25% max. LIBOR + 0.50% p.a. until August 1995; then LIBOR + 0.625%		150,000,000	244,461
3) 22.06.2003	LIBOR - 1/8 (min. 6% max. 10%) Effective cost following swap LIBOR + 0.88% p.a.		200,000,000	325,948
4) 24.09.2003	LIBOR - 0.1875% (min. 5.3/4%, max. 10%) Effective cost following swap LIBOR + 0.91% p.a.		250,000,000	407,435
5) 15.10.2003	LIBOR - 0.25% (min. 7%, max. 10%) Effective cost following swap LIBOR + 0.78% p.a.		150,000,000	173,994
6) 09.06.2003	8.1/8 % Effective cost following swap LIBOR + 0.73% p.a.		1,000,000,000	50,969
7) 01.07.2003	8% Effective cost following swap LIBOR + 0.73% p.a.		1,000,000,000	50,969
8) 01.01.2000	8%		560,000,000,000	560,000
9) 25.09.1995	13.8%		14,000,000,000	14,000
Total caption 110				1,990,750

b) Early repayment

The above loans may be repaid early, subject to approval from the Bank of Italy, should they become burdensome for tax reasons.

Furthermore, subject to approval from the Bank of Italy, the Bank may repay loan no. 1, in part or in full, on any coupon payment date after August 1995. Such election is also available in relation to loan no. 2.

Loan no. 8 is a "domestic" bond linked with the capital increase, as described in the report on operations. After 18 months from the date of issue and subject to approval from the Bank of Italy, the Bank may opt for partial or total early repayment of this bond by giving at least one month's notice.

Loan no. 9 may not be repaid until at least three years have elapsed since it was granted, and approval for this must be granted by the Bank of Italy.

c) Conditions governing subordination

The rights of subordinated lenders would come after those of ordinary creditors upon liquidation.

All subordinated loans as at 31 December 1994 are included as part of "Capital and reserves for monitoring purposes" since they have already been authorised by the Bank of Italy.

Changes in caption 140 "Minority interest"

	millions of Italian Lire
Amount as at 31 December 1993	125,375
changes during the year	61,533
of which:	
- <i>Banca Crediwest e dei Comuni Vesuviani</i>	- 10,708
- <i>Simcredit</i>	+ 2,907
- <i>Banca Popolare di Spoleto</i>	+ 6,895
- <i>Cordusio</i>	- 814
- <i>Credit Consult</i>	+ 1,446
- <i>Banca Cattolica</i>	+ 61,807
Amount as at 31 December 1994	186,908

"Capital and reserves" includes net income and is analysed as follows:

	millions of Italian Lire
CAPTION	
150. SHARE CAPITAL	1,120,000
represented by ordinary and savings shares, par value Lire 500 each, as follows:	
2,218,293,448 ordinary shares	1,109,147
21,706,552 savings shares	10,853
160. SHARE PREMIUM RESERVE	1,160,427
170. RESERVES:	2,793,509
a) legal reserve	160,000
b) reserve for the purchase of own shares	—
c) statutory reserves	1,889,500
d) other reserves	744,009
of which:	
cumulative translation adjustment	18,779
180. REVALUATION RESERVES	550,724
190. RETAINED EARNINGS	467
200. NET INCOME FOR THE YEAR	64,827
Total	5,689,954

Changes in "Goodwill arising on consolidation and on application of the equity method"

	Caption 90 Goodwill arising on consolidation	Caption 100 Goodwill arising on application of the equity method	millions of Italian Lire Total
Amount as at 31.12.1993	23,968	1,788	25,756
Increases	17,140	3,398	20,538
of which:			
- <i>Banca Transatlantique di Monaco</i>	3,443		3,443
- <i>Banca Cattolica</i>	13,697		13,697
- <i>Locat</i>		3,398	3,398
Decreases	10,148	287	10,435
of which:			
- <i>Banca Popolare di Spoleto</i>	6,581		6,581
- <i>Creditcon</i>	3,567		3,567
Other		287	287
Amount as at 31.12.1994	30,960	4,899	35,859

Section 9 - Other liabilities

9.1 Analysis of caption 50 "Other liabilities"

millions of Italian Lire	
Amounts as at 31.12.94	
Funds available to third parties	947,725
Items being processed	176,206
Items in transit between branches	755,073
Items relating to security transactions	133,799
Various items of a fiscal nature	122,677
Items that cannot be classified elsewhere	868,663
Items arising from the valuation of off-balance sheet transactions (forward exchange transactions and derivatives)	1,392,961
- customers	73,256
- banks	1,319,705
Adjustments in relation to the notes portfolio (*)	266,307
Other items	1,262,649
Total	5,926,060
(*) In relation to amounts collected on behalf of third parties, as described in Section 12.4.	

9.2 Analysis of caption 60 "Accrued expenses and deferred income"

millions of Italian Lire	
Amounts as at 31.12.94	
ACCRUED EXPENSES	
interest on bank accounts	559,690
interest on customer accounts	344,225
other	162,211
Total	1,066,126
DEFERRED INCOME	
interest on discounted bills	44,229
derivative contracts	270,931
commissions and other transactions	14,570
other	183,714
Total	513,444
Total accrued expenses and deferred income	1,579,570

Accruals and deferrals are recorded in accordance with the matching principle and with the requirements of art. 2424bis of the Italian Civil Code.

9.3 Adjustments for accrued expenses and deferred income

No adjustments have been made directly to asset and liability balances to reflect accruals or deferrals, except for Lire 6,615 million relating to Creditcon, credited to "Amounts due to banks and customers".

Section 10 - Guarantees and commitments

10.1 Analysis of caption 10 "Guarantees given"

	millions of Italian Lire
	Amounts as at 31.12.94
a) commercial guarantees	15,394,362
b) financial guarantees	304,285
c) assets lodged as security	45,364
Total	15,744,011

10.2 Analysis of caption 20 "Commitments"

	millions of Italian Lire
	Amounts as at 31.12.94
a) commitments to advance funds, certain to be called on	9,105,972
b) commitments to advance funds, not certain to be called on	1,236,873
Total	10,342,845

10.3 Assets pledged as security for liabilities (*)

	millions of Italian Lire
	Amounts as at 31.12.94
Securities used to guarantee bank drafts	232,842
Securities used to guarantee third parties	46,386
Securities used to guarantee other services	54
Securities used to guarantee deferred payments and advances from the Bank of Italy	81,141
Securities used to guarantee Parent Bank transactions	3,098,122
Reserve commitments and guarantees of foreign branches	116,119
Total	3,574,664

(*) excludes securities held in connection with repurchase agreements.

10.4 Margins available on credit facilities

	millions of Italian Lire
	Amounts as at 31.12.94
a) central banks	530
b) other banks	3,340,134
Total	3,340,664

10.5 Forward transactions

millions of Italian Lire

Type of transaction	Amounts as at 31/12.1994		
	Hedging	Dealing	Other
1. Dealing	77,207,232	4,005,255	196,853
1.1 securities	—	3,570,915	192,325
- purchases	—	2,126,085	—
- sales	—	1,444,830	192,325
1.2 currency	77,207,232	434,340	4,528
- foreign currency purchased with foreign currency	18,606,327	292,681	—
- foreign currency purchased with Italian Lire	30,869,438	79,896	—
- foreign currency sold for Italian Lire	27,731,467	61,763	4,528
2. Deposits and loans	—	—	7,240,796
- to be paid	—	—	3,230,299
- to be received	—	—	4,010,497
3. Derivative contracts	19,247,042	51,107,000	—
3.1 Involving exchange of capital	207,078	3,578,119	—
a) securities	—	2,590,082	—
- purchases	—	1,307,494	—
- sales	—	1,282,588	—
b) currencies	207,078	988,037	—
- foreign currency purchased with foreign currency	11,271	412,014	—
- foreign currency purchased with Italian Lire	173,503	294,174	—
- foreign currency sold for Italian Lire	22,304	281,849	—
c) other	—	—	—
- purchases	—	—	—
- sales	—	—	—
3.2 Not involving exchange of capital	19,039,964	47,528,881	—
a) currencies	264,374	—	—
- foreign currency purchased with foreign currency	112,937	—	—
- foreign currency purchased with Italian Lire	122,691	—	—
- foreign currency sold for Italian Lire	28,746	—	—
b) other assets	18,775,590	47,528,881	—
- purchases	9,626,530	24,493,897	—
- sales	9,149,060	23,034,984	—
Total	96,454,274	55,112,255	7,437,649

Section 11 - Concentration and distribution of assets and liabilities

11.1 Significant exposure to risk

	millions of Italian Lire
	Amounts as at 31.12.94
a) amount in millions of Italian Lire	16,096,545
b) number	4

The above balance reflects the total weighted exposure to positions considered to represent significant risks, as defined by the Bank of Italy.

11.2 Distribution of loans to customers, analysed by type of borrower

	millions of Italian Lire
	Amounts as at 31.12.94
a) Governments	727,136
b) other State agencies	533,395
c) non-banking businesses	21,498,313
d) financial institutions	7,858,000
e) personal businesses	4,365,068
f) other operators	8,819,115
Total	43,801,027

11.3 Distribution of loans to domestic non-banking and personal businesses

	millions of Italian Lire
	Amounts as at 31.12.94
a) commerce, salvage and repair services	4,433,069
b) other sales-oriented services	2,690,237
c) construction and public works	2,508,104
d) other manufactured products	1,491,020
e) textiles, leather and footwear, clothing	1,470,173
f) other sectors (*)	9,418,446
Total	22,011,049

(*) including Lire 1,066,386 million relating to foreign branches of the Parent Bank.

11.4 Distribution of guarantees given, analysed by type of counterparty

	millions of Italian Lire
	Amounts as at 31.12.94
a) Governments	8,509
b) other State agencies	1,744
c) banks	932,781
d) non-banking businesses	12,407,693
e) financial institutions	2,051,737
f) personal businesses	120,443
g) other operators	221,104
Total	15,744,011

11.5 Geographical distribution of assets and liabilities

millions of Italian Lire

	Amounts as at 31.12.94			
	Italy	Other EU countries	Other countries	Total
1. Assets	72,029,201	23,155,021	15,014,835	110,199,057
1.1 Due from banks	15,142,322	19,439,450	9,851,550	44,433,322
1.2 Loans to customers	37,600,196	2,904,741	3,296,090	43,801,027
1.3 Securities	19,286,683	810,830	1,867,195	21,964,708
2. Liabilities	58,714,227	30,724,047	17,860,897	107,299,171
2.1 Due to banks	18,290,241	23,029,606	13,506,740	54,826,587
2.2 Due to customers	28,747,692	2,517,300	3,424,649	34,689,641
2.3 Securities issued	11,108,994	3,741,116	942,683	15,784,793
2.4 Other	567,300	1,426,025	4,825	1,998,150
3. Guarantees and commitments	18,111,943	2,646,924	5,327,989	26,086,856

11.6 Analysis of assets and liabilities by maturity

millions of Italian Lire

Amounts as at 31.12.94

Position/Duration	Fixed term							Unspecified	Total
	Amounts due on demand	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years		Over 5 years			
				Fixed rate	Index-linked rate	Fixed rate	Index-linked rate		
Assets									
Treasury									
Certificates that can be refinanced	8,769	993,308	2,305,687	912,726	1,011,344	1,062,889	944,935	0	7,239,658
Due from banks	4,401,793	28,593,654	6,549,637	736,134	17,674	303,882	37,284	3,793,264	44,433,322
Loans									
to customers	4,205,608	21,408,080	6,253,275	4,499,126	2,480,844	1,046,538	2,066,705	1,840,851	43,801,027
Bonds and other									
debt securities	767	747,200	4,005,732	3,796,536	3,441,606	1,494,678	1,051,239	280	14,538,038
	8,616,937	51,742,242	19,114,331	9,944,522	6,951,468	3,907,987	4,100,163	5,634,395	110,012,045
"Off-balance sheet" transactions									
	717,887	26,069,324	34,571,857	10,376,241	35,367	2,867,030	39,728	345,398	75,022,832
Assets	9,334,824	77,811,566	53,686,188	20,320,763	6,986,835	6,775,017	4,139,891	5,979,793	185,034,877
Liabilities									
Due to banks	4,437,572	34,342,809	14,789,516	187,371	831,871	35,635	201,813	0	54,824,587
Due to customers	24,995,793	7,772,816	1,036,259	582,519	35,021	75,173	0	192,060	34,669,641
Securities issued									
– bonds	336,089	62,998	76,125	368,213	936,272	57,180	177,146	0	1,714,023
– certificates of deposit	148,202	7,152,952	4,148,302	1,873,486	113,971	0	0	3,091	13,440,004
– other securities	583,401	4,578	4,649	32,117	0	6,021	0	0	630,766
Subordinated liabilities	0	0	14,000	0	0	560,000	1,416,750	0	1,990,750
	30,201,057	49,336,153	20,068,851	3,043,706	1,917,135	734,009	1,795,709	195,151	107,291,771
"Off-balance sheet" transactions	1,351,314	28,524,163	33,517,912	9,714,422	20,536	3,005,567	16,419	0	76,150,333
Liabilities	31,552,371	77,860,316	53,586,763	12,758,128	1,937,671	3,739,576	1,812,128	195,151	183,442,104

11.7 Assets and liabilities denominated in foreign currency

	millions of Italian Lire
	Amounts as at 31.12.94
a) Assets	
1. due from banks	27,019,590
2. loans to customers	11,800,194
3. securities	3,134,073
4. equity investments	57,024
5. other (cash)	84,070
Total	42,094,951
b) Liabilities	
1. due to banks	33,834,864
2. due to customers	6,413,178
3. securities issued	3,756,627
4. other (subordinated liabilities)	1,416,750
Total	45,421,419

Section 12 - Administration and dealing on behalf of third parties

12.1 Dealing in securities

	millions of Italian Lire
	Amounts as at 31.12.94
a) purchases	17,672,097
1. settled	17,335,156
2. unsettled	336,941
b) sales	16,276,134
1. settled	15,987,721
2. unsettled	288,413

12.2 Asset management

	millions of Italian Lire
	Amounts as at 31.12.94
Securities administered for customers, at market value	9,714,448

12.3 Custody and administration of securities

	millions of Italian Lire
	Amounts as at 31.12.94
a) Securities held on behalf of third parties	94,411,721
1. held as collateral	182,159
2. held as security	7,874,476
3. held in safe custody	86,355,086
b) Third party securities deposited with other third parties	88,756,959
c) Portfolio securities deposited with third parties	13,128,969

12.4 Collection of receivables for third parties: adjustments

	millions of Italian Lire
	Amounts as at 31.12.94
a) debit adjustments	
1. current accounts	1,053,299
2. central notes portfolio	3,105,800
3. cash	1,372,397
4. other	1,672,082
	7,203,578
b) credit adjustments	
1. current accounts	736,720
2. presenters of notes and similar paper	6,715,207
3. other	12,408
	7,464,335
difference (a - b)	- 260,757

12.5 Other transactions

	millions of Italian Lire
	Amounts as at 31.12.94
Other assets held on behalf of third parties	7,140,586 (*)

(*) This amount relates solely to Credito Italiano

**PART C)
INFORMATION
REGARDING THE
CONSOLIDATED
STATEMENT OF
INCOME**

Section 1 - Interest

1.1 Analysis of caption 10 "Interest income and similar revenues"

	millions of Italian Lire
	1994
a) due from banks	2,283,755
<i>of which:</i>	
- deposits with central banks	249,914
b) loans to customers	4,235,129
c) debt securities	2,166,061
d) other interest income	32,326
e) positive differential on hedges	—
Total	8,717,271

1.2 Analysis of caption 20 "Interest expense and similar charges"

	millions of Italian Lire
	1994
a) due to banks	3,144,632
b) due to customers	1,509,893
c) securities issued	1,124,792
<i>of which:</i>	
- certificates of deposit	945,975
d) public funds administered	13
e) subordinated liabilities	92,376
f) negative differential on hedges	162,841
Total	6,034,547

1.3 Further details about caption 10 "Interest income and similar revenues"

	millions of Italian Lire
	1994
a) assets denominated in foreign currency	1,864,874
b) assets denominated in Italian Lire	6,852,397
Total	8,717,271

1.4 Further details about caption 20 "Interest expense and similar charges"

	millions of Italian Lire
	1994
a) liabilities denominated in foreign currency	1,936,411
b) liabilities denominated in Italian Lire	3,935,295
	5,871,706
c) negative differential on hedges	162,841
Total	6,034,547

Section 2 - Commission

2.1 Analysis of caption 40 "Commission income"

	millions of Italian Lire
	1994
a) guarantees given	82,338
b) collection and payment services	139,082
c) administration, dealing and consultancy services:	
1) security dealing	43,832
2) foreign currency dealing	85,703
3) asset management	19,369
4) custody and administration of securities	26,848
5) placement of securities	67,239
6) consultancy activities	283
7) "door-to-door" sales of investments, financial products and services	3,552
8) acceptance of instructions	52,339
9) management of mutual funds	58,821
	357,986
d) tax collection services	—
e) other services	290,557
Total	869,963

2.2 Analysis of caption 50 "Commission expense"

	millions of Italian Lire
	1994
a) collection and payment services	34,405
b) administration and dealing services:	
1) security dealing	318
2) foreign currency dealing	19,967
3) asset management	—
4) custody and administration of securities	5,375
5) placement of securities	1
6) "door-to-door" sales of investments, financial products and services	11,728
7) management of mutual funds	10
	37,399
c) other services	45,178
d) guarantees received	6,609
Total	123,591

Section 3 - Profits (losses) on financial transactions

3.1 Analysis of caption 60 "Profits (losses) on financial transactions"

1994				millions of Italian Lire
Caption/Transaction type	Security transactions	Foreign currency transactions	Other transactions	Total
A.1 Revaluations	5,469	XXX	188,790	194,259
A.2 Writedowns	(290,856)	XXX	(106,956)	(397,812)
B. Other gains/losses	(233,505)	8,592	(70,431)	(295,344)
Total	(518,892)	8,592	11,403	(498,897)
1. Government securities	(475,810)			
2. Other debt securities	(46,791)			
3. Equity capital	53,387			
4. Derivatives involving securities	(49,678)			

Section 4 - Administrative costs

Analysis of caption 80 "Administrative costs"

	millions of Italian Lire
	1994
a) payroll costs:	1,745,267
- wages and salaries	1,163,862
- social security charges	487,708
- provisions for employee termination indemnities	93,361
- provisions for pensions and similar commitments	336
b) other administrative costs:	843,080
- indirect taxes	178,364
- sundry expenses	664,716
Total	2,588,347

Sundry expenses comprise:

consultancy	38,739
insurance	19,086
advertising	21,022
donations to charity	1,088
rental of machines	17,540
postal, telephone, telegraphic and telex charges	115,857
printing and stationery	23,599
office supplies	6,321
security costs	26,037
information and searches	12,209
sundry services	68,110
transport and custody of valuable items and documents	21,790
cleaning	30,294
maintenance and repair of operating assets	50,634
maintenance of premises	24,074
travel expenses	11,354
various rental charges	23,982
rental expense	85,621
electricity, gas, heating, reception and drinking water	33,634
other costs	33,725
Total	664,716

4.1 Average number of employees, analysed by category

Average number of employees

	1994
a) managers	187
b) officials	2,718
c) other grades	14,337
Total	17,242

The above data were determined by averaging the number of employees at the start and at the end of the year.

Number of employees at year-end

	1994
a) managers	186
b) officials	2,734
c) other grades	14,289
Total	17,209

There were 1,101 part-time employees at year-end.

Section 5 - Adjustments, writebacks and provisions

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

	millions of Italian Lire
	1994
a) adjustment to loans	437,664
<i>of which:</i>	
- general writedowns for country risk	5,927
- other general writedowns	37,192
b) provisions for guarantees and commitments	6,874
<i>of which:</i>	
- general provisions for country risk	876
- other general provisions	—
Total (a+b)	444,538

Analysis of caption 90 "Adjustments to intangible and tangible fixed assets"

	millions of Italian Lire
	1994
tangible fixed assets:	
- property	100,853
- operating assets	372,824
- installations	108,324
intangible fixed assets	74,397
Total	656,398
of which: depreciation of leased assets	422,902

Analysis of caption 100 "Provisions for risks and charges"

	millions of Italian Lire
	1994
Provisions for risks and charges:	
- d) other:	
- other provisions for risks and charges	24,627
Total	24,627

Analysis of caption 130 "Writeback of loans and provisions for guarantees and commitments"

	millions of Italian Lire
	1994
- loans	216,191
Total	216,191

Analysis of caption 140 "Provisions for possible loan losses"

	millions of Italian Lire
	1994
provision for the year	13,916
Total	13,916

(*) This reflects the 1994 provisions recorded by consolidated companies.

Analysis of caption 150 "Adjustment to financial fixed assets"

	millions of Italian Lire
	1994
- securities	29,039
- equity investments	140,779
of which:	
- investments in Group companies	13,574
- other investments	127,205
Total	169,818

Analysis of caption 160 "Writeback of financial fixed assets"

	millions of Italian Lire
	1994
- securities	68,490
- equity investments	—
Total	68,490

Analysis of caption 170 "Income (losses) from investments carried at equity"

	millions of Italian Lire		
	1994		
	Income	Losses	Total
Group companies	+ 3,888	—	+ 3,888
Other significant investments	+ 514	- 1,797	- 1,283
Total	+ 4,402	- 1,797	+ 2,605

Analysis of caption 230 "Change in reserve for general banking risks"

	millions of Italian Lire
	1994
allocations	6,138
utilization	1
Total	6,137

Section 6 - Other statement of income captions

6.1 Analysis of caption 70 "Other operating income"

	millions of Italian Lire
	1994
Amounts charged to third parties:	
- recovery of taxes	46,097
- customers' insurance premiums	7,052
- deposits and current accounts	74,312
	127,461
Sundry revenues:	
- rental income	10,654
- other	35,933
	46,587
Revenue from finance leases	602,105
Total	776,153

Sundry revenues - other, include Lire 13,093 million relating to the issue discounts accrued on securities held at the start of 1994. This reflects the change in the related accounting policy described earlier.

6.2 Analysis of caption 110 "Other operating expense"

	millions of Italian Lire
	1994
Losses on the disposal of leased assets	14,969
Other charges	23,593
Total	38,562

6.3 Analysis of caption 190 "Extraordinary income"

	millions of Italian Lire
	1994
Gains on disposal of:	
- property	562
- investment securities	58,123
- equity investments	4,884
- other assets	5,011
	68,580
Out-of-period income:	
- overaccruals in prior years	44,789
- liabilities written off	7,221
- refunds re costs incurred in previous years	9,122
- amounts recovered from assets previously written off	9,444
- sundry amounts recovered relating to previous years	13,029
- other	68,409
	152,014
Total	220,594

6.4 Analysis of caption 200 "Extraordinary charges"

	millions of Italian Lire
	1994
Losses from disposal of:	
- property	441
- investment securities	7,385
- equity investments	1,258
- other assets	2,280
	11,364
Out-of-period expense:	
- adjustments to charges made in previous years	60,158
- transfer of dealing commission received	4,000
- sundry losses	24,597
- other	71,124
	159,879
Total	171,243

Analysis of caption 30 "Dividends and other revenues"

	millions of Italian Lire
	1994
Dividends and other revenues:	
a) from shares, quotas and other forms of capital	17,681
b) from equity investments	20,545
c) from investments in Group companies	13,663
Total	51,889

Analysis of caption 240 "Income taxes"

	millions of Italian Lire
	1994
Provisions for risks and charges:	
b) Taxation	
ILOR (Local Income Tax)	17,358
IRPEG (Corporate Income Tax)	68,698
other	7,343
Total	93,399

Analysis of caption 250 "Income (loss) attributable to minority shareholders"

	millions of Italian Lire
	1994
Income	6,326
of which:	
- <i>Simcredit</i>	3,459
- <i>Banca Popolare di Spoleto</i>	2,867
Losses	
of which:	(12,017)
- <i>Banca Creditwest e dei Comuni Vesuviani</i>	(9,404)
- <i>Credit Consult</i>	(388)
- <i>Banca Cattolica</i>	(2,225)
Total	(5,691)

Section 7 - Other information regarding the statement of income

7.1 Geographical distribution of revenues

	millions of Italian Lire
	1994
Geographical distribution of revenues relating to captions 10, 30, 40, 60 and 70	
- ITALY	8,170,884
- other EU countries	1,335,277
- other countries	410,218
Total	9,916,379

**PART D)
OTHER
INFORMATION**

Section 1 - Directors and Statutory Auditors

1.1 Remuneration (*)

	millions of Italian Lire
	1994
a) directors	1,747
b) statutory auditors	196
	1,943
(*) Paid by the Parent Bank	

1.2 Loans granted and guarantees given (*)

	millions of Italian Lire
	1994
a) directors	10,598
b) statutory auditors	—
	10,598
(*) By the Parent Bank	

APPENDICES

- statement of changes in financial position
- analysis of caption 70 "Equity investments"

Statement of changes in financial position

billions of Italian Lire

1994

Funds generated and obtained

Funds generated from operations:

Net income for the year		64.8
Provision for general banking risks	(1)	6.1
Provisions for possible loan losses	(1)	13.9
Provision for employee termination indemnities	(1)	93.2
Provisions for taxation	(1)	128.4
Provisions for risks and charges - other	(1)	18.7
Adjustments (writebacks) to loans		221.5
Adjustments (writebacks) to intangible and tangible fixed assets		656.4
Adjustments (writebacks) to financial fixed assets		101.3
Total funds generated from operations		1,304.3

Shareholders' equity:

Increase in capital and reserves:		
- share capital		320.0
- share premium reserve		682.9
Total increase in capital and reserves		1,002.9
Goodwill arising on consolidation and application of the equity method	-	10.1
Other changes		2.9
Total shareholders' equity		995.7
Minority interests		61.5

Other funds obtained:

Subordinated liabilities (obtained)		560.0
Subordinated liabilities (net translation differences)	-	62.1
Due to banks	-	3,054.4
Due to customers		1,562.0
Securities issued		406.2
Accrued expenses and deferred income	-	166.2
Other liabilities		368.8
Total changes in other funds obtained	-	385.7
Total funds generated and obtained		1,975.8

Funds used and employed

Dividends paid		136.3
Release of provisions for taxation, employee termination indemnities, possible loan losses		849.6
Cash and deposits with central banks		46.7
Due from banks		4,225.8
Loans to customers	-	6,170.8
Securities		2,669.4
Equity investments		496.9
Intangible and tangible fixed assets		736.1
Accrued income and prepaid expenses	-	96.7
Other assets	-	917.5
Total funds used and employed		1,975.8

N.B.

(1) net of amounts released to the statement of income.

ANALYSIS OF CAPTION 70 "EQUITY INVESTMENTS"

(see point 3.4 of accompanying notes)

billions of Italian Lire

Name	Business	% of capital	Net book value as at 31/12.94
------	----------	-----------------	-------------------------------------

BANKS

1. listed

BANCA NAZIONALE DELL'AGRICOLTURA S.p.A. - Rome	Banking	8.16	100,503
BANQUE COMMERCIALE DU MAROC - Casablanca	Banking	5.00	17,966
BANQUE TRANSATLANTIQUE S.A. - Paris	Banking	9.34	10,971
MEDIOBANCA Banca di credito finanziario S.p.A. - Milan	Banking	8.81	496,073
ISTITUTO ITALIANO DI CREDITO FONDIARIO S.p.A. - Rome	Banking	0.12	463
			625,976

2. unlisted

BANCA D'ITALIA - Rome	Central Bank	2.67	8
BANCA DI SASSARI S.p.A. - Sassari	Banking	• •	13
BANCA CARIGE S.p.A. - Genoa	Banking	0.15	1,282
BANCA POPOLARE DEL TRENTINO SCRL - Trento	Banking	0.06	17
BANCA POPOLARE ETRURIA E LAZIO - Arezzo	Banking	0.02	93
BANCA POPOLARE DI GENOVA - Genoa	Banking	• •	1
CENTROBANCA S.p.A. - Milan	Banking	• •	6
EFIBANCA S.p.A. - Rome	Banking	• •	5
ISTITUTO CENTRALE BANCHE POPOLARI ITALIANE - Milan	Banking association	0.17	303
ISTITUTO CENTRALE DI BANCHE E BANCHIERI - Milan	Banking association	0.96	851
ISVEIMER - Istituto per lo sviluppo Economico dell'Italia Meridionale - Naples	Banking	0.04	109
LIQUIDHATS KONSORTIALBANK GMBH - Frankfurt	Banking	0.01	26
MEDIOCREDITO DELL'UMBRIA - Perugia	Banking	0.11	214
MEDIOCREDITO DEL SUD S.p.A. - Bari (formerly MEDIOCREDITO DELLA BASILICATA S.p.A.)	Banking	1.92	2,847
MEDIOCREDITO DI ROMA S.p.A. - Rome	Banking	0.09	174
MEDIOCREDITO FONDIARIO CENTROITALIA S.p.A. - Ancona	Banking	0.90	1,015
MEDIOCREDITO FRIULI-VENEZIA GIULIA S.p.A. - Udine	Banking	0.23	131
MEDIOCREDITO LOMBARDO S.p.A. - Milan	Banking	2.56	4,843
MEDIOCREDITO TOSCANO S.p.A. - Florence	Banking	• •	8
			11,946

total a) Banks

637,922

FINANCIAL INSTITUTIONS

1. listed

BONIFICHE SIELE FINANZIARIA S.p.A. - Rome	Holding company	20.11	130,137
GRUPPO BANCARIO CREDITO ROMAGNOLO S.p.A. - Bologna	Holding company	2.05	60,914
			191,051

2. unlisted

BETEILIGUNGSGELLSCHAFT NEUE LAENDER GMBH UND COKG - Berlin	Investment holding	0.01	13
BIC TERNI S.p.A. - Terni	Business centres Terni	0.45	9
CASSA DI COMPENSAZIONE E GARANZIA S.p.A. - Rome	Clearing house	4.55	2,500
C.B.I. FACTOR S.p.A. Capital Markets S.p.A. - Milan	Stockbroking	0.34	45
CEDEL INTERNATIONAL S.A. - Luxembourg	Deposit and administration of securities	0.70	636
CENTROSIM S.p.A. - Milan	Stockbroking	0.50	100
COFISA S.p.A. - Milan	Investment holding	2.36	264
CREDIFARMA S.p.A. - Rome	Factoring	17.00	2,501
EURO-CLEAR CLEARANCE SYSTEM PLC - London	Securities clearing	0.25	252
EUROPEAN INVESTMENT FUND - Luxembourg	Development of SMEs	0.25	478
EXCHANGE CLEARING HOUSE LIMITED - London	Fx clearing	4.74	1
FACTORIT S.p.A. - Milan	Factoring	0.33	120
F.I.L.S.E. - FINANZIARIA LIGURE PER LO SVILUPPO ECONOMICO S.p.A. - Genoa	Regional investment holding	2.22	413
FIME - FINANZIARIA MERIDIONALE S.p.A. - Rome	Investment holding	3.11	7,947
FINANZIARIA INDUSTRIALE - FIN. IND. S.p.A. - Pordenone	Holding company	0.83	100

Name	Business	% of capital	Net book value as at 31/12.94
FINLOMBARDA FINANZIARIA PER LO SVILUPPO DELLA LOMBARDIA S.p.A. - Milan	Regional investment holding	3.35	
FINPUGLIA S.p.A. - Bari	Investment holding	0.15	31
GES.FI.MI - S.p.A. - Milan	Investment funds	0.33	58
GEPAFIN S.p.A. - Perugia	Investment funds	3.33	41
GI.GEST - Società per la Gestione di Fondi Comuni per azioni - Rome	Mutual funds	0.50	250
GTI FINANCE S.A. - Paris	Treasury management	2.00	106
INTERNATIONAL FACTORS GROUP S.C. - Brussels	Factoring	2.75	14
ITALEASE S.p.A. - Milan	Leasing	0.04	113
LEASING INDUSTRIALE ITALIANO - LEASINDUSTRIA S.p.A. Milan	Industrial leasing	3.35	2,896
LOCAT - Locazione attrezzature S.p.A. - Turin	Leasing	22.82	20,329
MONTE TITOLI - Istituto per la custodia e l'amministrazione dei valori mobiliari S.p.A. - Milan	Mutual funds	2.90	553
PARTECO Srl (in liquidation) - Milan	Investment holding	10.00	131
P.R.T. - Progettazione Ricerca Terziaria S.p.A. - Spoleto	Service sector support	1.80	4
SERVIZI INTERBANCARI S.p.A. - Rome	Management of credit card systems	4.50	1,858
SIFIDA INVESTMENT COMPANY S.A. - Luxembourg	Investment holding	0.43	96
SOCIETÀ RISCOSSIONE TRIBUTI S.p.A. - Foligno	Tax collection	20.00	283
SOCIETÀ ITALIANA PER LE IMPRESE MISTE			
ALL'ESTERO - SIMEST S.p.A. - Rome	Investment holding	2.06	3,580
SOGEO S.p.A. - Rome	Fund management	2.00	200
SVILUPPUMBRIA S.p.A. - Perugia	Regional investment holding	1.68	241
UNIONE FIDUCIARIA S.p.A. - Milan	Service company	0.43	61
			46,819
Total b) FINANCIAL INSTITUTIONS			237,870

c) OTHER**1. listed**

CARBOTRADE S.p.A. - Genoa	Commerce	16.58	1,717
CARTIERE SOTTRICI BINDA - S.p.A. - Olgiate Olona	Commerce	2.90	1,788
FERRUZZI FINANZIARIA S.p.A. - Ravenna	Industrial investment holding	5.99	158,748
FINMECCANICA S.p.A. - Rome	Industrial holding	3.31	129,133
IMPREGILO S.p.A. - Milan	Construction	2.81	19,735
RAGGIO DI SOLE FINANZIARIA S.p.A. - Rome	Industrial holding	3.98	787
SANTAVALERIA FINANZIARIA S.p.A. - Milan	Industrial holding	0.97	1,480
SEDIWER S.A. - Nanterre	Manufacturing	2.62	4,260
			317,648

2. unlisted

ABETE SVILUPPO S.p.A. - Milan	Graphics	10.99	5,500
ATHENA S.p.A. - Bari	Data transmission services	18.00	359
BANKSIEL S.p.A. - Milan	Management of EDP systems	7.00	5,984
CENTRO INTEGRATO PER LO SVILUPPO DELL'IMPRENDITORIALITÀ S.p.A. - Naples	Consultancy for the development of SMEs	0.50	18
CED BORSA S.C.P.A. - Milan	Management of EDP systems for the stock market	2.81	844
CEFOR S.p.A. - Rome	Training centre	1.10	
CENTRALE DEI BILANCI Srl SOCIETÀ PER GLI STUDI FINANZIARIA - Turin	Management of economic-financial EDP systems	3.33	300
CENTRALE GPS S.p.A. - Pesaro	Insurance broking	20.50	77
CENTRO PADANO INTERSCAMBIO MERCI CE.P.I.M. S.p.A. - Parma	Management of changeovers in the transport of goods	0.21	25
COMMERCIAL UNION ASSURANCE HOLDING S.p.A. - Milan	Investment in "non-life" insurance companies	30.00	1,457
COMMERCIAL UNION LIFE HOLDING S.p.A. - Milan	Investment in life assurance companies	30.00	2,736
COMMERCIAL UNION VITA S.p.A. - Milan	Insurance	30.00	10,799
CENTRALE RISCHI FINANZIARIA CRIF S.p.A. - Bologna	Management of consumer credit database	3.86	251
DATA MANAGEMENT S.p.A. - Milan	Data processing	39.00	7,399
DEUTSCHE BORSE A.G. - Frankfurt	Stock Exchange	0.04	59

Name	Business	% of capital	Net book value as at 31/12.94
DINVAL S.p.A. - Bari	Transport of valuables	10.00	100
G.E.CAP. S.p.A. - Foggia	Tax collection	2.00	6
GRUPPO FINANZIARIO TESSILE S.p.A. - Turin	Manufacture of clothing	12.91	13,499
IDRACOS S.p.A. - Parma	Manufacturing	10.00	300
INFORMATICA UMBRIA Srl - Spoleto	Data processing services	8.33	25
IMMOBILIARE BANCHE POPOLARI S.p.A. - Rome	Stockbroking and property management	1.94	47
INTERPORTO DI PADOVA S.p.A. - Padua	Management of changeovers in the transport of goods	0.51	240
ISTITUTO EUROPEO DI ONCOLOGIA Srl - Milan	Cancer research	5.71	4,800
ISTITUTO PER L'ENCICLOPEDIA DELLA BANCA E DELLA BORSA S.p.A. - Rome	Publishing for the banking industry	4.99	131
ISTINFORM S.p.A. - Milan	Installation of EDP systems	1.26	121
ISTUD - Istituto Studi Direzionali S.p.A. - Milan	Management education	0.67	57
ITALCARDANO S.p.A. - Pero	Engineering	20.00	2,155
MARCHESINI GROUP Srl - Pianoro	Manufacturing	9.00	1,127
NOMISMA - Società di Studi Economici S.p.A. - Bologna	Economic research	0.67	57
NORTEL - Argentina	Public telephone systems	1.08	20,209
PACKINTEC Srl - Milan	Manufacturing	21.55	22
SASA ASSICURAZIONI e RIASSICURAZIONI S.p.A. - Trieste	Insurance	10.52	5,255
SASE S.p.A. - Perugia	Airport management	0.88	13
SCI GIARDINO Srl - Genoa	Property	20.00	2,447
SELECO S.p.A. - Pordenone	Production of radios and televisions	1.11	500
SERFINIM S.p.A. - Rome	Industrial investment holding	42.10	422
SERVIZI FIDUCIARI SEFI S.p.A. - Milan	Transport of valuables and correspondence	14.40	557
SERVIZI IMMOBILIARI BANCHE S.p.A. - MILAN	Credit collection	2.42	196
S.G.R. SOCIETÀ GESTIONE PER IL REALIZZO S.p.A. - Rome	Liquidation of the assets and liabilities of Federconsorzio, now subject to creditors	6.21	6,38
S.I.A. SOCIETÀ INTERBANCARIA PER L'AUTOMAZIONE S.p.A. - Milan	Design and installation of EDP systems	0.41	88
SITEBA SISTEMI TELEMATICI BANCARI S.p.A. - Rome	Management of POS systems	2.53	93
SNC LA CONDAMINE - Monaco Condamine (France)	Property	5.88	1,794
SOCIETÀ DI COOPERAZIONE AGRICOLA S.p.A. - Sanremo	Management of flower markets	3.75	76
SOCIETÀ INTERPORTO BOLOGNA S.p.A. - Bologna	Development of nodes for the transshipment of goods	1.73	335
SOCIETÀ PER I SERVIZI BANCARI - SSB S.p.A. - Milan	Development and management of banking systems	7.93	600
SOCIETÉ ANONYME DE GESTION FINANCIERE (SAGEFI) - Montecarlo	Management of mutual funds	39.89	61
SUDBROKER - Bari	Broking	0.40	4
S.W.I.F.T. SOCIETY FOR WORLDWIDE INTERBANK FINANCIAL TELECOMMUNICATION CO-OPERATIVE SOCIETY - La Hulpe	Data Transmission	0.48	63
TRENO ALTA VELOCITÀ - T.A.V. S.p.A. - Rome	Design and construction of railway lines and infrastructure	2.50	2,473
			94,383
all c) OTHER			412,031

The meeting received the Reports of the Board of Directors and Board of Statutory Auditors in relation to the financial statements for 1994, and approved the financial statements as of 31 December 1994 agreeing to the allocation of net income as proposed by the Board of Directors.



HEAD OFFICE

Piazza Cordusio, 20123 Milan, Italy

BRANCHES IN ITALY

Abbiategrosso	Castelfiorentino	Guidonia Montecelio	Nichelino	S. Marco Argentano
Acireale	Castelfranco Emilia	Iglesias	Nocera Inferiore	Sanremo
Acquaviva delle Fonti	Castelfranco Veneto	Imola	Noicattaro	San Severo
Acqui Terme	Castellammare di Stabia	Imperia	Nola	Sant'Ambrogio di Valpolicella
Afragola	Castrovillari	Ischia	Novara	Santa Croce sull'Arno
Agrigento	Catania	Isernia	Novi Ligure	Santarcangelo di Romagna
Alassio	Catanzaro	Ivrea	Nuoro	Santeramo in Colle
Albenga	Cava dei Tirreni	Jesi	Olbia	Sarno
Alessandria	Cento	Jesolo	Olgiate Olona	Saronno
Alghero	Cerignola	Ladispoli	Orbassano	Sarzana
Altamura	Cernusco sul Naviglio	Lainate	Oriстано	Sassari
Ancona	Cervinia Breuil	Lamezia Terme	Orta Nova	Sassuolo
Andria	Cesano Maderno	Lanciano	Osimo	Savona
Aosta	Cesena	L'Aquila	Ostia Lido	Scafati
Appiano Gentile	Chiavari	La Spezia	Ozieri	Scandicci
Aprilia	Chieri	Latina	Paderno Dugnano	Schio
Arezzo	Chieti	Lecce	Padua	Sciacca
Ariano Irpino	Chioggia	Lecco	Palazzolo sull'Oglio	Segrate
Arma di Taggia	Ciampino	Leghorn	Palermo	Selargius
Arona	Cinisello Balsamo	Legnano	Palma di Montechiaro	Seregno
Arzachena	Cirié	Lentini	Palmi	Seriate
Arzignano	Cirimido	Limbiato	Parabiago	Sesto Calende
Ascoli Piceno	Cittadella	Lissone	Parma	Sesto Fiorentino
Assemini	Civiale del Friuli	Lodi	Paternò	Sesto S. Giovanni
Asti	Civitanova Marche	Lonate Pozzolo	Pavia	Sestri Ponente
Atripalda	Civitavecchia	Lonigo	Perugia	Settimo Torinese
Augusta	Cles	Lucca	Pesaro	Sinnai
Avellino	Codogno	Lucera	Pescara	Syracuse
Aversa	Collegno	Lugo	Piacenza	Somma Lombardo
Avezzano	Cologno Monzese	Lumezzane	Pinerolo	Sondrio
Bagheria	Como	Macerata	Piombino	Sorrento
Barcellona Pozzo di Gotto	Conegliano	Macomer	Pisa	Soverato
Barenago	Cornigliano	Manduria	Pistoia	Spilimbergo
Bari	Corsico	Manerbio	Pomezia	Taranto
Barletta	Cortina d'Ampezzo	Manfredonia	Pomigliano d'Arco	Tempio Pausania
Bassano del Grappa	Cosenza	Mantua	Pontassieve	Teramo
Battipaglia	Crema	Marano di Napoli	Ponte Chiasso	Termini
Belluno	Cremona	Mariano Comense	Pontedecimo	Thiene
Benevento	Crotone	Marina di Carrara	Pontedera	Torre Annunziata
Bergamo	Cuneo	Marsala	Pordenone	Torre del Greco
Bibbiena	Curno	Martina Franca	Portici	Torremaggiore
Biella	Desenzano del Garda	Massa	Porto Torres	Tortona
Bisceglie	Doliana	Matera	Potenza	Tradate
Bollate	Dolo	Mazara del Vallo	Prato	Trani
Bologna	Domodossola	Meda	Putignano	Trapani
Bolzaneto	Empoli	Melfi	Quartu S. Elena	Trento
Bolzano	Erba	Melito di Porto Salvo	Querceta di Seravezza	Treviglio
Borgomanero	Ercolano	Melzo	Ragusa	Treviso
Borgosesia	Faenza	Merate	Ravenna	Trieste
Bosa	Fasano	Mesagne	Reggio Calabria	Turin
Bovolone	Fernetti Monrupino	Messina	Reggio Emilia	Udine
Bra	Ferrara	Metanopoli	Rende	Valdagno
Brescia	Fidenza	Milan	Rho	Valenza
Bressanone	Fiorano al Serio	Milazzo	Rieti	Varese
Brindisi	Florence	Mirandola	Rimini	Vasto
Busto Arsizio	Foggia	Mirano	Rivarolo Ligure	Velletri
Ca'gliari	Foligno	Modena	Rivoli	Venice/Mestre
Campobasso	Forlì	Molfetta	Rome	Ventimiglia
Camposampiero	Francavilla al Mare	Moncalieri	Rovato	Verbania
Canicattì	Frascati	Mondovì	Rovereto	Vercelli
Cantù	Frattamaggiore	Monfalcone	Rovigo	Verona
Capo d'Orlando	Frosinone	Monopoli	Rozzano	Viadana
Capriate	Galatina	Monterato	Salerno	Viareggio
Carpi	Gallarate	Montebelluna	Saluzzo	Vicenza
Carrara	Genoa	Montecatini Terme	S. Benedetto del Tronto	Vigevano
Casalecchio di Reno	Giarre	Montesilvano	S. Bonifacio	Vigliano Biellese
Casale Monferrato	Giugliano in Campania	Monza	S. Donà di Piave	Villa d'Almè
Casalpusterlengo	Gorizia	Mortara	S. Giorgio a Cremano	Vimercate
Caserta	Gragnano	Naples	S. Giovanni a Teduccio	Viterbo
Casoria	Grosseto	Nardò	S. Giovanni in Persiceto	Vittorio Veneto
Cassano Magnago	Grottaglie	Nervi	S. Giovanni Valdarno	Voghera
Castano Primo	Grottammare	Nettuno	S. Giuseppe Vesuviano	Voltri

As at the end of March 1995, Credito Italiano has 888 branches, including sub-branches and counters located within organisations and companies.

MAIN BRANCHES ABROAD

AMSTERDAM - ATHENS - BARCELONA - BRUSSELS - BUDAPEST - BUENOS AIRES - CHICAGO - GRAND CAYMAN -
HONG KONG - HOUSTON - LONDON - LOS ANGELES - MADRID - MOSCOW - NEW YORK - PARIS - BEIJING - SAO
PAULO - SINGAPORE - SYDNEY - TOKYO - ZURICH