

BANCA D'ITALIA

**Summary Report of
the Statistical Bulletin**

**Data on credit,
securities business and interest rates**



II - 2005

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Summary Report of the Statistical Bulletin

**Data on credit,
securities business
and interest rates**

Notice to readers

- I. The appendices of the Statistical Bulletin and the Summary Report contain methodological notes with general information on the statistical data and the sources from which they are drawn. More specific notes regarding individual tables are given at the foot of the tables themselves. The publications also include a glossary of the statistical concepts used in the tables.
- II. Symbols
 - the phenomenon does not exist, or exists and is observed but no cases were recorded;
 - the phenomenon exists but its value is not known;
 - .. the value is known but is less than the minimum considered significant;
 - = = the data are confidential;
 - : : the data are not statistically significant.The thin lines separating data within tables serve solely to make consultation easier.
- III. The intervals for the classification by size include the lower limit and exclude the upper limit.

Additional information concerning this issue

As of this edition, the Statistical Bulletin contains the following innovations:

1. in the new form for reporting loans introduced following the 9th update of Circular no. 139 of 11 February 1991, some tables with information on bad debts have been partly changed; in fact it is no longer possible to separate out the part of net bad debts backed by personal guarantees or collateral;
2. in accordance with the New Capital Accord (Basel II), which considers the threshold of 1,000,000 euros as one of the criteria for distinguishing between “retail” and “corporate” customers, wherever possible this threshold has been shown in the tables disaggregated by size class;
3. in the “institutional” classification the “Central credit institutions” category has been eliminated and the entities in question included in the “Banks established as società per azioni” category;
4. the classification based on the distinction between banks raising mainly short-term funds and those raising medium and long-term funds is no longer used.


In addition, it should be noted that the tables showing the “default rates” do not contain the March 2005 update owing to the maintenance of the archives made necessary by the 9th update of Circular no. 139 of 11 February 1991. The missing data will be included in the next edition of the Bulletin.

* * *

There may be discrepancies between the sums of columns and rows and the totals given owing to the impossibility of allocating certain items.

Key to symbols and information in the index

The following information is provided for each table (from left to right):

1	BIP on-line	○	Table distributed on the “BIP on-line statistical database” with the same characteristics
		●	Table distributed on the “BIP on-line statistical database” with greater disaggregation of data
		⊙	Table distributed on the “BIP on-line statistical database” only
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		H	Half-yearly
		A	Annual
3	Source	1	Supervisory returns
		2	Central Credit Register
		3	Survey of lending rates
		4	Survey of deposit rates
		5	Archives of intermediary identification data
		6	Bank of Italy
4	Universe	[ba]	Banks
		[bs]	Banks raising mainly short-term funds
		[sb]	Sample of banks
		[fi]	Financial intermediaries referred to in Art. 107 of the 1993 Banking Law
		[ci]	Collective investment undertakings
		[sf]	Securities firms (SIMs)
		[bi]	Bank of Italy
5		[am]	Asset management companies
			Table appearing in this issue
6	Table identification code		
7	Description of the table		
8	Identification code for table on the “BIP on-line statistical database”		
9	Page on which table appears in this issue		

A DATA ON CREDIT, SECURITIES BUSINESS AND INTEREST RATES

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Tables

TDC40010

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL STOCKS					
Loans	1,106,933	1,130,119	1,136,538	1,168,529	1,189,093
<i>of which:</i> bad debts	52,651	53,868	54,592	54,886	54,724
Deposits	623,390	634,780	633,969	655,916	651,565
Guarantees	163,757	166,685	169,403	183,886	188,027
Asset management services	1,988,438	2,029,319	2,023,555	2,046,214	2,117,998
b. TRANSACTIONS WITH RESIDENTS					
Loans	1,084,566	1,110,986	1,117,459	1,150,399	1,170,525
<i>of which:</i> in non-euro-area currencies	18,235	18,411	17,362	15,555	16,320
medium and long-term	594,309	614,100	628,071	662,245	681,774
bad debts	51,459	52,631	53,394	53,809	53,602
Deposits	609,833	622,305	622,417	644,484	640,103
<i>of which:</i> in non-euro-area currencies	17,672	18,044	17,467	16,753	16,709
medium and long-term	4,743	4,510	4,293	4,109	3,942
c. TRANSACTIONS WITH NON-RESIDENTS					
Loans	22,367	19,133	19,080	18,129	18,568
<i>of which:</i> bad debts	1,191	1,237	1,197	1,077	1,122
Deposits	13,557	12,475	11,553	11,432	11,462

Notes:

The figures for total stocks include transactions with non-resident customers. Securities included in asset management services are stated at face value. Medium and long-term loans to resident customers include those eligible for official support for the setting up of companies abroad.

Distribution by: – customer location (geographical area)
– customer segment of economic activity

TDC40020

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL LOANS	1,084,566	1,110,986	1,117,459	1,150,400	1,170,526
b. CUSTOMER LOCATION					
North-West Italy	422,014	437,607	438,434	449,679	457,338
North-East Italy	251,071	255,295	257,832	265,828	273,211
Central Italy	259,605	261,632	261,856	270,736	273,158
Southern Italy	101,729	104,730	106,868	110,351	111,925
Islands	50,140	51,717	52,465	53,806	54,894
c. SEGMENT OF ECONOMIC ACTIVITY					
General government	52,796	52,635	53,183	51,566	52,375
Financial companies	135,555	138,101	135,955	138,936	141,577
Non-financial companies	578,547	592,096	590,368	608,740	618,548
<i>of which: industry</i>	<i>219,790</i>	<i>224,801</i>	<i>218,450</i>	<i>222,535</i>	<i>220,389</i>
building	71,790	74,092	74,849	76,617	78,123
services	274,625	280,867	284,751	296,833	307,350
Producer households	72,195	72,995	73,821	76,094	76,934
Consumer households and nec	245,466	255,154	264,127	275,064	281,092

Notes:

Distribution by: - customer location (geographical area)
- customer segment of economic activity

TDC40030

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL DEPOSITS	609,828	622,300	622,412	644,480	640,096
b. CUSTOMER LOCATION					
North-West Italy	215,152	218,859	213,521	226,324	222,709
North-East Italy	128,335	130,458	131,524	137,009	136,406
Central Italy	141,786	145,890	148,861	149,942	150,801
Southern Italy	84,254	85,768	86,446	88,756	88,099
Islands	40,301	41,324	42,060	42,449	42,082
c. SEGMENT OF ECONOMIC ACTIVITY					
General government	20,495	19,773	20,977	22,269	22,575
Financial companies	42,529	43,505	38,078	42,276	40,758
Non-financial companies	111,031	119,827	122,961	126,111	124,934
<i>of which: industry</i>	<i>40,389</i>	<i>43,179</i>	<i>45,013</i>	<i>44,913</i>	<i>45,033</i>
building	<i>11,805</i>	<i>12,810</i>	<i>12,646</i>	<i>13,521</i>	<i>12,753</i>
services	<i>56,675</i>	<i>61,610</i>	<i>63,093</i>	<i>65,338</i>	<i>64,929</i>
Producer households	35,056	35,942	35,796	36,020	35,781
Consumer households and nec	400,716	403,250	404,599	417,802	416,048

Notes:

Distribution by: - customer location (geographical area)
- customer segment of economic activity

TDC40040

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL GUARANTEES	106,951	109,254	111,139	111,992	112,514
b. CUSTOMER LOCATION					
North-West Italy	45,731	46,812	47,430	48,169	48,050
North-East Italy	25,470	26,105	25,894	26,043	26,439
Central Italy	27,504	27,963	29,589	29,171	29,646
Southern Italy	5,252	5,404	5,333	5,680	5,528
Islands	2,994	2,972	2,895	2,930	2,852
c. SEGMENT OF ECONOMIC ACTIVITY					
General government	1,046	1,242	1,264	1,290	1,464
Financial companies	13,040	13,968	14,829	14,361	14,443
Non-financial companies	85,074	86,113	87,245	88,354	88,269
<i>of which: industry</i>	<i>35,111</i>	<i>36,440</i>	<i>37,191</i>	<i>36,920</i>	<i>36,764</i>
building	<i>14,960</i>	<i>15,177</i>	<i>15,179</i>	<i>14,663</i>	<i>13,781</i>
services	<i>34,155</i>	<i>33,735</i>	<i>34,127</i>	<i>36,093</i>	<i>37,051</i>
Producer households	2,516	2,509	2,477	2,549	2,538
Consumer households and nec	5,275	5,422	5,326	5,438	5,800

Notes:

Distribution by: - customer location (geographical area)
- customer segment of economic activity

TDC40050

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL BAD DEBTS	51,460	52,631	53,394	53,809	53,602
b. CUSTOMER LOCATION					
North-West Italy	11,801	12,188	12,476	12,564	12,532
North-East Italy	8,482	8,634	8,794	8,843	8,797
Central Italy	13,589	13,968	14,127	14,201	14,174
Southern Italy	11,388	11,613	11,723	11,865	11,789
Islands	6,192	6,223	6,269	6,337	6,310
c. SEGMENT OF ECONOMIC ACTIVITY					
General government	70	70	62	61	61
Financial companies	1,092	1,071	1,047	976	954
Non-financial companies	31,032	31,944	32,540	32,484	32,311
<i>of which: industry</i>	<i>11,409</i>	<i>11,882</i>	<i>12,188</i>	<i>12,072</i>	<i>11,852</i>
building	<i>6,941</i>	<i>7,019</i>	<i>7,090</i>	<i>7,015</i>	<i>7,014</i>
services	<i>11,264</i>	<i>11,612</i>	<i>11,831</i>	<i>11,990</i>	<i>12,055</i>
Producer households	8,059	8,105	8,177	8,328	8,288
Consumer households and nec	11,200	11,437	11,563	11,960	11,989

Notes:

Distribution by: - location of the investment (geographical area)
- economic purpose of the investment

TDC40060

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL MEDIUM AND LONG-TERM LOANS	593,050	611,449	625,841	660,054	678,988
<i>of which: subsidized</i>	27,322	26,265	25,515	24,855	25,106
b. LOCATION OF THE INVESTMENT					
North-West Italy	209,017	218,456	222,852	241,004	252,016
North-East Italy	140,312	145,074	149,066	155,316	159,195
Central Italy	149,586	150,299	153,837	160,702	162,208
Southern Italy	62,188	64,237	65,847	67,843	69,519
Islands	31,948	33,385	34,239	35,189	36,051
c. ECONOMIC PURPOSE OF THE INVESTMENT					
Civil engineering works	95,843	99,289	102,424	104,470	107,338
Machinery, equipment, transport equipment and sundry products	86,645	86,264	86,494	85,659	73,261
Purchase of buildings	167,179	176,173	184,192	194,962	198,561
<i>of which: dwellings of consumer households</i>	131,351	138,512	145,373	154,555	157,799
other buildings	35,828	37,661	38,819	40,407	40,762
Other	243,383	249,723	252,731	274,963	299,828

Notes:

Distribution by:

- customer location (geographical area)
- customer segment of economic activity
- type of security

TDC40070

Banks

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL ASSET MANAGEMENT SERVICES	1,269,765	1,272,152	1,266,751	1,271,701	1,298,285
b. CUSTOMER LOCATION					
North-West Italy	733,811	737,821	730,228	731,069	742,849
North-East Italy	247,172	243,349	246,279	246,243	252,453
Central Italy	212,256	214,591	215,533	220,588	227,882
Southern Italy	54,958	54,806	53,302	52,422	53,005
Islands	21,570	21,590	21,387	21,383	22,075
c. SEGMENT OF ECONOMIC ACTIVITY					
General government	21,280	21,210	21,626	19,972	21,413
Financial companies	621,692	630,580	632,308	642,322	662,840
Non-financial companies	50,107	49,800	49,043	50,793	48,506
Producer households	32,264	31,545	30,852	29,756	29,272
Consumer households and nec	544,424	539,022	532,900	528,862	536,232
d. TYPE OF SECURITY					
Italian government securities	492,217	487,473	496,720	486,548	500,367
Other debt securities	442,508	448,378	447,304	458,505	478,754
Equity securities	92,019	90,298	86,930	89,424	89,249
Other	243,151	246,114	235,913	237,331	230,035

Notes:

Securities are stated at face value. The table shows the amounts for which a securities deposit contract has been signed. It excludes indirect forms of fund-raising via asset management services, in particular the units of collective investment undertakings placed with third parties for which no securities deposit contract has been signed. The table also excludes the cumulative certificates of units of collective investment undertakings held for safekeeping with the depository bank at no charge, as clarified in the 15th update of the manual for compiling accounting supervisory reports of 31 July 2002. The clarification has given rise to a break in some of the series as of December 2002.

Distribution by type of security and derivative instrument

TDC40080

Banks and securities firms

Source: Supervisory returns
Flows in millions of euros

	2004–Q1	2004–Q2	2004–Q3	2004–Q4	2005–Q1
a. TOTAL PLACEMENT	42,899	43,168	40,036	51,036	54,208
Italian government securities	3,293	3,836	2,915	1,025	1,990
Other debt securities	15,816	16,425	16,849	18,928	21,975
Equity securities	90	728	188	3,093	98
Other securities	23,701	22,179	20,084	27,990	30,144
b. TOTAL SECURITIES TRADING	1,933,523	1,712,919	1,532,990	1,624,516	1,585,304
Italian government securities	1,078,125	920,005	809,725	731,233	677,992
Other debt securities	404,630	357,852	415,016	435,174	423,434
Equity securities	428,328	427,315	302,323	447,485	470,567
Other securities	22,475	7,776	5,971	10,685	13,451
c. TOTAL DERIVATIVES TRADING	4,064,788	3,153,547	2,576,909	2,513,555	3,161,825
Futures	1,307,229	1,253,914	1,067,135	927,385	1,386,797
Swaps and FRAs	1,857,160	1,184,343	907,660	941,104	935,807
Options	670,430	498,049	460,347	480,066	679,379
Other derivatives	229,958	217,227	141,762	164,990	159,837

Notes:

The data include transactions with non-resident customers and interbank transactions. Securities trading is measured at contract prices (ex coupon for debt securities). For the methods of measuring derivatives trading, see the item "Proprietary trading" in the glossary. Securities placement business is measured at the placement price. Amounts are stated net of commissions.

Distribution by type of security

TDC40090

Banks, securities firms and asset management companies

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL ASSETS UNDER MANAGEMENT	435,169	436,479	444,942	453,714	464,829
b. PORTFOLIO	421,327	422,560	432,666	441,005	451,154
Italian government securities	137,599	136,062	143,645	142,829	148,516
Other debt securities	86,591	88,547	91,914	96,087	99,195
Equity securities	21,510	21,966	20,578	24,000	25,446
Units of UCITS	174,249	174,882	175,483	177,115	177,112
Other financial instruments	1,377	1,103	1,047	974	886

Notes:

The amounts refer only to the portfolio management services provided directly by the intermediaries concerned. The data include transactions with non-resident customers. The portfolio is measured at market prices (ex coupon for debt securities) at the end of the reference period and includes all transactions for which cash settlement has been made at that date.

Distribution by type of security

TDC40100

Collective investment undertakings

Source: Supervisory returns
Stocks in millions of euros

	Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a. TOTAL NET ASSETS	377,611	369,723	360,696	357,769	354,412
b. PORTFOLIO	332,145	332,255	326,033	323,556	318,651
Italian government securities	135,153	137,266	140,236	136,326	130,777
Other debt securities	107,746	107,857	104,360	103,432	105,114
Equity securities	88,590	86,533	80,746	83,108	81,994
Other securities	656	599	690	690	766

Notes:

The data refer to Italian harmonized open-end collective investment undertakings. The data include transactions with non-resident customers. The portfolio is measured at market prices (ex coupon for debt securities) at the end of the reference period and includes contracts concluded but still to be settled.

TDC30010		Banks				
Source: Central Credit Register Stocks in millions of euros		Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a.	NUMBER OF BORROWERS	2,477,176	2,558,749	2,623,672	2,696,931	2,783,431
b.	LOAN FACILITIES					
	Facilities granted	1,330,681	1,337,133	1,367,237	1,420,137	1,429,783
	Used margin	894,760	913,197	915,251	947,132	964,874
c.	GUARANTEES GRANTED TO CUSTOMERS					
	Facilities granted	134,899	137,289	143,777	146,336	148,104
	Used margin	104,657	107,855	111,336	110,360	113,121
d.	BAD DEBTS	52,705	53,825	54,589	55,197	54,619

Notes:

The data include transactions with non-resident customers.

Distribution by total credit granted

TDB30113

Banks

Source: Central Credit Register
 Stocks in millions of euros
 Size classes in euros

March 2005

	Number of borrowers	Facilities granted	Used margin	<i>of which:</i> backed by real security	Overshooting	Unused margin
from 75,000 to 125,000	890,954	85,403	78,236	65,210	1,170	8,337
from 125,000 to 250,000	505,424	84,160	72,956	55,075	1,461	12,665
from 250,000 to 500,000	189,490	65,130	48,234	25,470	1,761	18,656
from 500,000 to 1,000,000	108,949	75,641	52,795	23,991	1,911	24,758
from 1,000,000 to 2,500,000	78,211	119,906	81,195	35,018	2,671	41,381
from 2,500,000 to 5,000,000	28,505	98,524	64,639	26,052	2,040	35,925
from 5,000,000 to 25,000,000	22,356	220,952	138,397	49,779	4,252	86,807
more than 25,000,000	4,479	638,752	395,025	65,268	11,270	254,998

Notes:

Distribution by customer location (geographical area) and total credit granted

TDC30018				Banks	
Source: Central Credit Register Stocks in millions of euros Size classes in euros					
March 2005		Number of borrowers	Facilities granted		Used margin
			of which: short-term		
					of which: short-term
a.	TOTAL	1,828,368	1,388,468	774,305	931,476
	from 750,000 to 250,000	1,396,378	169,563	36,897	151,191
	from 250,000 to 1,000,000	298,439	140,771	81,000	101,029
	from 1,000,000 to 2,500,000	78,211	119,906	75,779	81,195
	from 2,500,000 to 25,000,000	50,861	319,477	210,347	203,036
	more than 25,000,000	4,479	638,752	370,282	395,025
b.	NORTH-WEST ITALY	634,931	600,381	350,000	381,812
	from 750,000 to 250,000	488,580	59,005	12,052	52,791
	from 250,000 to 1,000,000	98,736	46,684	27,697	32,473
	from 1,000,000 to 2,500,000	26,949	41,396	27,106	26,789
	from 2,500,000 to 25,000,000	18,712	121,844	81,869	74,270
	more than 25,000,000	1,954	331,452	201,276	195,488
c.	NORTH-EAST ITALY	508,448	333,311	198,831	228,820
	from 750,000 to 250,000	371,185	45,871	11,758	39,972
	from 250,000 to 1,000,000	93,728	44,538	26,507	31,490
	from 1,000,000 to 2,500,000	25,829	39,624	25,684	26,576
	from 2,500,000 to 25,000,000	16,473	102,039	70,097	63,652
	more than 25,000,000	1,233	101,238	64,784	67,130
d.	CENTRAL ITALY	393,873	317,652	157,388	220,446
	from 750,000 to 250,000	306,105	37,604	7,086	34,286
	from 250,000 to 1,000,000	62,230	29,037	15,357	21,906
	from 1,000,000 to 2,500,000	15,056	23,059	13,679	16,577
	from 2,500,000 to 25,000,000	9,599	58,834	35,703	40,023
	more than 25,000,000	883	169,118	85,563	107,654
e.	SOUTHERN ITALY	197,399	96,253	48,408	70,260
	from 750,000 to 250,000	155,465	18,360	4,036	16,433
	from 250,000 to 1,000,000	30,054	14,103	8,086	10,407
	from 1,000,000 to 2,500,000	7,240	11,055	6,812	7,784
	from 2,500,000 to 25,000,000	4,352	26,384	16,625	17,974
	more than 25,000,000	288	26,351	12,848	17,663
f.	ISLANDS	93,717	40,870	19,677	30,139
	from 750,000 to 250,000	75,043	8,723	1,964	7,710
	from 250,000 to 1,000,000	13,691	6,409	3,353	4,753
	from 1,000,000 to 2,500,000	3,137	4,771	2,498	3,469
	from 2,500,000 to 25,000,000	1,725	10,375	6,052	7,117
	more than 25,000,000	121	10,593	5,810	7,091

Notes:

Distribution by customer location (region)

TDC30025

Banks

Source: Central Credit Register
Stocks in millions of euros

March 2005

	Facilities granted	of which: short-term	Used margin	of which: short-term	non-euro-area currencies	backed by real security
a. TOTAL	1,429,783	798,261	964,874	414,268	20,351	351,543
Italy	1,394,282	777,276	941,072	401,400	15,781	348,440
Abroad	35,501	20,985	23,802	12,868	4,570	3,103
b. NORTH-WEST ITALY	601,988	350,820	384,829	171,177	6,322	130,916
Piedmont	104,715	57,821	70,100	28,409	1,391	22,204
Valle d'Aosta	2,328	954	1,795	469	5	687
Liguria	21,354	9,635	15,425	4,778	537	6,963
Lombardy	473,590	282,409	297,509	137,521	4,389	101,061
c. NORTH-EAST ITALY	335,192	199,852	231,283	104,729	4,943	90,788
Trentino-Alto Adige	34,179	20,767	23,856	11,262	305	10,635
Veneto	130,371	76,100	89,201	39,559	2,502	36,856
Friuli-Venezia Giulia	26,107	13,745	18,743	7,066	579	7,118
Emilia-Romagna	144,534	89,240	99,483	46,843	1,557	36,179
d. CENTRAL ITALY	318,879	157,985	222,706	87,493	3,049	77,667
Marche	33,643	19,757	23,647	10,384	258	9,402
Tuscany	87,115	50,610	63,645	29,682	1,422	26,397
Umbria	14,310	7,650	10,662	4,351	109	4,546
Lazio	183,812	79,968	124,752	43,075	1,261	37,321
e. SOUTHERN ITALY	96,940	48,748	71,452	27,110	1,059	33,035
Campania	42,033	19,856	31,097	11,469	748	13,514
Abruzzo	15,022	8,718	10,603	4,621	143	4,750
Molise	2,513	1,510	1,720	774	2	712
Puglia	25,216	12,562	18,637	6,701	124	9,707
Basilicata	3,664	1,734	2,792	968	9	1,132
Calabria	8,492	4,368	6,602	2,576	33	3,220
f. ISLANDS	41,283	19,872	30,803	10,891	409	16,035
Sicily	28,571	14,398	20,769	7,745	342	10,907
Sardinia	12,712	5,474	10,034	3,146	66	5,128

Notes:

The data include transactions with non-resident customers.

Distribution by amount

TDB30205		Banks	
Source: Central Credit Register Stocks in millions of euros Size classes in euros			
March 2005	Number of borrowers	Bad debts	
a. TOTAL	621,729	53,475	
from 0 to 75,000	510,160	8,373	
from 75,000 to 125,000	44,175	4,270	
from 125,000 to 250,000	36,528	6,331	
from 250,000 to 500,000	17,030	5,844	
from 500,000 to 1,000,000	7,520	5,150	
from 1,000,000 to 2,500,000	4,233	6,361	
from 2,500,000 to 5,000,000	1,295	4,437	
from 5,000,000 to 25,000,000	700	6,397	
more than 25,000,000	88	6,311	

Note:

The size classes of bad debts are calculated on the basis of each borrower's total bad debts as reported to the Central Credit Register by all banks.

Distribution by customer location (region)

TDC30035		Banks	
Source: Central Credit Register Stocks in millions of euros			
March 2005		Number of borrowers	Bad debts
a. TOTAL		622,644	54,619
Italy		621,729	53,475
Abroad		915	1,144
b. NORTH-WEST ITALY		140,524	12,368
Piedmont		44,105	2,746
Valle d'Aosta		1,203	82
Liguria		16,932	1,360
Lombardy		78,284	8,180
c. NORTH-EAST ITALY		86,845	8,647
Trentino-Alto Adige		5,511	493
Veneto		32,731	2,841
Friuli-Venezia Giulia		9,875	609
Emilia-Romagna		38,728	4,704
d. CENTRAL ITALY		139,004	14,302
Marche		15,957	1,231
Tuscany		37,590	2,536
Umbria		8,510	810
Lazio		76,947	9,725
e. SOUTHERN ITALY		163,633	11,888
Campania		62,307	3,473
Abruzzo		14,656	1,172
Molise		3,581	355
Puglia		47,456	4,088
Basilicata		9,392	844
Calabria		26,241	1,956
f. ISLANDS		91,723	6,270
Sicily		72,324	4,489
Sardinia		19,399	1,781

Notes:

The data include transactions with non-resident customers.

Distribution by customer location (region)

TDB30350

Banks

Source: Central Credit Register
Stocks in millions of euros
Percentages

March 2005		Number of borrowers	first 0.5% of borrowers	first 1% of borrowers	first 5% of borrowers	first 10% of borrowers	Total used margin
a.	TOTAL	1,980,995	49.52	55.50	70.87	77.50	941,072
	Piedmont	154,004	52.56	58.10	71.89	77.80	70,100
	Valle d'Aosta	4,090	56.92	61.55	72.34	77.51	1,795
	Liguria	48,669	38.88	45.41	61.52	68.66	15,425
	Lombardy	463,876	58.25	63.93	77.29	82.65	297,509
	Trentino-Alto Adige	64,795	24.60	31.84	54.53	65.73	23,856
	Veneto	220,382	34.14	41.63	62.10	71.44	89,201
	Friuli-Venezia Giulia	50,606	40.05	46.50	64.66	72.73	18,743
	Emilia-Romagna	217,074	43.04	50.01	68.04	75.79	99,483
	Marche	68,488	31.89	38.95	59.29	68.87	23,647
	Tuscany	161,095	38.61	45.00	63.24	71.60	63,645
	Umbria	30,355	32.01	39.50	60.08	69.47	10,662
	Lazio	171,876	70.40	74.38	82.70	85.85	124,752
	Abruzzo	32,097	31.29	39.55	60.94	70.14	10,603
	Molise	4,916	35.81	42.80	62.10	70.95	1,720
	Campania	82,941	42.90	49.05	65.90	73.12	31,097
	Puglia	68,175	30.54	37.40	56.74	65.75	18,637
	Basilicata	7,420	38.78	45.45	63.95	72.59	2,792
	Calabria	24,434	28.32	35.32	54.88	64.22	6,602
	Sicily	76,690	33.74	40.11	58.73	67.14	20,769
	Sardinia	29,012	38.52	45.47	62.72	70.80	10,034

Notes:

Distribution by customer location (geographical area) and total credit granted

TDB30455		Banks								
Source: Central Credit Register										
Size classes in euros										
Percentages										
March 2005	Total	from 75,000 to 125,000	from 125,000 to 250,000	from 250,000 to 500,000	from 500,000 to 1,000,000	from 1,000,000 to 2,500,000	from 2,500,000 to 5,000,000	from 5,000,000 to 25,000,000	more than 25,000,000	
a. ITALY										
Average number of banks per borrower	1.39	1.00	1.10	1.59	2.25	3.10	4.32	6.09	9.69	
% of total credit granted by first bank	59	99	95	81	71	63	56	48	48	
b. NORTH-WEST ITALY										
Average number of banks per borrower	1.39	1.00	1.09	1.59	2.25	3.12	4.33	6.10	9.27	
% of total credit granted by first bank	57	99	95	80	70	62	55	48	49	
c. NORTH-EAST ITALY										
Average number of banks per borrower	1.44	1.00	1.10	1.58	2.20	3.04	4.23	6.24	11.16	
% of total credit granted by first bank	58	99	95	81	71	64	56	45	41	
d. CENTRAL ITALY										
Average number of banks per borrower	1.37	1.00	1.09	1.59	2.32	3.20	4.51	6.05	9.23	
% of total credit granted by first bank	60	99	95	81	70	64	57	51	51	
e. SOUTHERN ITALY										
Average number of banks per borrower	1.34	1.00	1.11	1.61	2.28	3.20	4.47	5.91	8.43	
% of total credit granted by first bank	64	99	94	80	70	62	55	49	49	
f. ISLANDS										
Average number of banks per borrower	1.28	1.00	1.13	1.60	2.13	2.79	3.66	5.17	7.82	
% of total credit granted by first bank	70	99	94	80	74	68	63	56	56	

Notes:

TDC30080		Sample of banks				
Source: Survey of lending rates Percentages		Mar. 2004	June 2004	Sept. 2004	Dec. 2004	Mar. 2005
a.	MATCHED LOANS	4.67	4.71	4.75	4.78	4.68
	<i>of which:</i> Loans in euros	4.72	4.75	4.79	4.80	4.70
	Initial period of rate fixation:					
	up to 1 year	4.71	4.75	4.78	4.80	4.72
	more than 1 year	5.03	4.90	5.25	4.88	4.01
	<i>of which:</i> non-financial companies and producer households	4.85	4.79	4.84	4.85	4.75
	consumer households and nec	6.34	6.43	5.99	5.84	5.54
	Loans in non-euro-area currencies	2.13	2.20	2.51	2.96	3.27
b.	TERM LOANS: OUTSTANDING AMOUNTS	3.82	3.76	3.77	3.78	3.78
	<i>of which:</i> Loans in euros	3.88	3.81	3.81	3.81	3.80
	Initial period of rate fixation:					
	up to 1 year	3.67	3.63	3.64	3.64	3.65
	from 1 to 5 years	3.69	3.51	3.49	3.34	3.31
	more than 5 years	5.42	5.35	5.16	5.26	5.12
	<i>of which:</i> non-financial companies and producer households	3.88	3.78	3.79	3.82	3.82
	consumer households and nec	3.95	4.00	3.95	3.97	3.97
	Loans in non-euro-area currencies	1.65	1.83	2.28	2.42	2.60
c.	TERM LOANS: NEW BUSINESS IN THE QUARTER	3.62	3.59	3.63	3.39	3.37
	Initial period of rate fixation					
	up to 1 year	3.57	3.56	3.60	3.36	3.38
	from 1 to 5 years	4.02	3.91	4.41	3.83	3.06
	more than 5 years	4.28	4.18	4.12	4.07	3.71
	<i>of which:</i> non-financial companies and producer households	3.88	3.77	3.91	3.90	3.64
	consumer households and nec	3.89	3.77	3.85	3.84	3.76
d.	REVOCABLE LOANS	7.00	6.91	7.19	7.23	7.09
	<i>of which:</i> Loans in euros	7.02	6.93	7.20	7.24	7.09
	<i>of which:</i> non-financial companies and producer households	7.80	7.77	8.23	8.38	8.16
	consumer households and nec	7.69	7.59	7.81	7.80	7.55
	Loans in non-euro-area currencies	3.32	2.94	3.62	3.77	4.02

Notes:

For new business in the quarter, the rates refer to the APRC (see Methodological Appendix).

Methodological appendix

1. Content of the publication

The Statistical Bulletin and the Summary contain information on the structure, assets and liabilities, and operations of banks and non-bank intermediaries. Unless otherwise indicated, the data refer to transactions carried out by banks and financial intermediaries with residents, irrespective of the currency used. Interbank transactions are normally excluded. Transactions not denominated in euros are recorded in euros at the average end-of-period exchange rate. As regards flows, transactions for which interest payments have been made are recorded at the exchange rate used to translate the interest payments into euros; other transactions are recorded at the end-of-period exchange rate.

Exceptions to the general rules are evidenced in the footnotes to the tables.

For the sake of legibility and clarity, the paper version of the statistical tables normally contains data referring to the most recent period available; the time series and the distributions with a higher degree of data disaggregation are available in the “BIP on-line statistical database”. The Bulletin contains the information available at the time of publication; subsequent editions may be updated or revised to incorporate adjustments subsequently received from reporting intermediaries.

Data on the same phenomena from different sources may not coincide owing to methodological differences. Further discrepancies between or within tables are due to rounding or to the exclusion of data covered by official secrecy.

2. Sources of information

The information contained in the publication is drawn from the reports that credit and financial intermediaries send to the Bank of Italy. The principal features of the information flows are described in what follows for the various sources listed below:

- supervisory returns;
- reports to the Central Credit Register;
- surveys of lending and deposit rates;
- registers of intermediaries.

2.1 Supervisory returns

The Bank of Italy requires supervisory returns from:

- banks under Article 51 of the Banking Law (Legislative Decree 385/1993);
- investment firms under Article 12 of the Consolidated Law on Financial Intermediation (Legislative Decree 58 of 24 February 1998);
- financial intermediaries under Article 107 of the Banking Law;

- asset management companies and open-end investment companies (SICAVs) under Article 12 of the Consolidated Law on Financial Intermediation.

Using the required reporting formats and at the specified frequencies, the above intermediaries transmit data (generally end-of-period stocks and flows) on their balance sheets and profit and loss accounts, their transactions (e.g. technical form, types of securities traded or managed, original and residual duration, currency), and their counterparties (location and economic activity), as well as other information of use for analysis of the various technical parameters (loan concentration, structure of deposits, foreign exposure, bad and doubtful debts, etc.).

2.2 Reports to the Central Credit Register

The Central Credit Register is regulated by the resolution adopted by the Credit Committee on 29 March 1994 pursuant to Articles 53, 67 and 107 of the Banking Law. The following participate in this centralized service:

- banks entered in the register referred to in Article 13 of the Banking Law;
- financial intermediaries entered in the register of banking groups and/or the special register referred to in, respectively, Articles 64 and 107 of the Banking Law that engage exclusively or primarily in financing activity. Financial intermediaries more than 50 per cent of whose financing activity consists of consumer credit are exempted. Consequently, the group of financial intermediaries reporting to the Central Credit Register is not identical to the group that transmits supervisory returns.

Participating intermediaries also report the exposures of foreign branches to borrowers resident in Italy. All the statistical distributions take such loans into account.

Once a month intermediaries are required to report each customer's debtor position, comprising both individual and joint liabilities (joint accounts and partnerships).

The whole position relative to a given customer must be reported where even one of the following conditions applies: – the sum of credit granted or used for all loans and guarantees granted to the customer is at least 75,000 euros;

- the total value of personal guarantees provided by the customer is at least 75,000 euros;
- the customer's position is classified among bad debts or is written off during the reference month, regardless of the amount;
- the face value of factoring claims the intermediary has acquired from the customer is at least 75,000 euros;
- the value of the transactions carried out by the intermediary on behalf of third parties is at least 75,000 euros;

Where a report is made because one of the above conditions applies, it must cover all the outstanding positions of the customer in question.

The present report form, in use since 1 January 2005 and subject to the 9th update of Circular no. 139 of 11 February 1991, comprises a section for different categories of credit (matched, term and revocable exposures, loans subject to bankruptcy proceedings and other special cases, bad debts, guarantees relating to commercial operations, guarantees relating to financial operations, guarantees received, financial derivatives), an informational section (transactions carried out on behalf of third parties, syndicated loans, claims acquired from customers other than intermediaries – debtors assigned, matched loans – overdue amounts, claims written off, claims assigned to third parties) and a series of qualifiers providing a fuller description of the characteristics and riskiness of outstanding transactions (e.g. original and residual maturity, currency, etc.).

2.3 Surveys of lending and deposit rates

The quarterly sample survey of deposit and lending rates, introduced under Article 51 of the Consolidate Law on Banking, is currently governed by the Bank of Italy's Circular No. 251 of 17 July 2003, "Rilevazione analitica dei tassi d'interesse. Istruzioni per le banche segnalanti" (Sample Survey of Interest Rates: Instructions for Reporting Banks), which has applied since the

first quarter of 2004. The Circular can be found on the Bank of Italy's website under "Statistiche – La raccolta delle informazioni presso gli intermediari – Segnalazioni creditizie e finanziarie – Normativa di riferimento".

The information on lending rates is collected separately for each customer; that on deposit rates is collected instead on an aggregate basis.

In the case of lending rates the survey covers the loan facilities granted to ordinary customers – i.e. excluding banks and banking authorities – by Italian branches of reporting intermediaries in the following forms: matched loans, term loans and revocable loans. Intermediaries are required to submit the information requested for each customer having, at the end of the reference quarter, a sum of the amounts of the above forms of financing granted or used reported to the Central Credit Register that equals or exceeds the reporting threshold (see Section 2.2).

For all the loans covered by the survey outstanding at the end of each quarter, intermediaries report the products and the related amounts received; the latter are divided between interest payments, fees and expenses. On the basis of the observed data the interest rates published in the statistical tables are calculated as the weighted average of the rates effectively charged to customers – excluding transactions at supported interest rates – using the following formula:

$$r(\%) = (\text{Amounts received} * 365) / \text{Products}$$

For new term loans, banks report the Annual Percentage Rate of Charge – APRC (as defined in Directive 87/102/EEC) and the amount of financing granted. In the statistical tables showing the APRC, the weighted average is calculated on the basis of the amounts of the loans granted.

As regards deposit rates, data are collected on the conditions applied to sight current account deposits of ordinary customers outstanding at the end of the quarter at the Italian branches of reporting banks. For the transactions covered by the survey, intermediaries report the following data in aggregate form:

- the sum of the interest accrued in the reference quarter (regardless of when it is paid);
- the sum of the products for the reference quarter.

The interest rates published in the statistical tables are the weighted average calculated using the following formula:

$$r(\%) = (\text{Amounts disbursed} * 365) / \text{Products}$$

2.4 Registers of intermediaries

Identification information on credit and financial intermediaries subject to supervision by the Bank of Italy and on the activities they are authorized to carry on is drawn from special registers kept by the Bank of Italy or Consob under the laws in force. In particular:

- under Article 13 of the Banking Law, the Bank of Italy enters banks authorized in Italy and branches of EU banks established in Italy in a register;
- under Article 19 of the Consolidated Law on Financial Intermediation, Consob, after consulting the Bank of Italy, authorizes Italian securities firms (SIMs) to provide investment services. Under Article 20 of the Consolidated Law, Consob enters SIMs in a register, communicating such entries to the Bank of Italy;
- under Article 107 of the Banking Law, the Ministry of the Treasury, after consulting the Bank of Italy and Consob, establishes objective standards with reference to the activity carried on, the volume of business and the ratio of debt to equity capital, on the basis of which to determine the financial intermediaries which must be entered in a special register kept by the Bank of Italy;
- under Article 35 of the Consolidated Law, the Bank of Italy, after consulting Consob, authorizes asset management companies to perform the service of collective asset management and that of individual portfolio management. Such companies are entered in a register kept by the Bank of Italy pursuant to Article 46 of the Consolidated Law;
- under Article 44 of the Consolidated Law, the Bank of Italy, after consulting Consob, authorizes the establishment of open-end investment companies (SICAVs). Under Article 45, SICAVs authorized in Italy are entered in a register kept by the Bank of Italy.

3. Information for time-series analysis

Reporting items have changed over time as a result of efforts to rationalize or enhance the information flows from intermediaries. To permit correct interpretation of breaks in time series, the most important changes are described below.

3.1 Supervisory returns

As of January 1994: there may be a break owing to the new method of accounting for and reporting sale and repurchase transactions where the purchaser is under an obligation to resell the assets involved (e.g. securities). In accordance with the rules on annual accounts, such transactions are treated as forms of lending to or fund-raising from the counterparty (the Bank of Italy, banks, customers) and are reported apart. In line with the new format of the annual accounts, as of 1 January 1994 interest-bearing certificates (except post office savings certificates) and non-interbank certificates of deposit are included in the securities portfolio.

As of January 1995: the de-specialization of credit institutions pursuant to the Banking Law is reflected in:

- the adoption of a single reporting form for the supervisory returns of all banks;
- the inclusion in banks' reports of the information previously transmitted by their former special credit sections.

The population to which the information published from that date onwards refers is the banking system as a whole. Accordingly, all references to the "sample of banks" utilized up until 31 December 1994 have been dropped.

The adjustment of the former special credit institutions and special credit sections to the new reporting formats ceased to have effect only from December 1996 (September 1996 for the data published on the "BIP on-line statistical database"). Up to that date, loans and deposits deriving from the old returns of some former special credit institutions are included in the totals (since they are considered "unattributable") but are not distributed according to the classifications adopted from some analytical tables.

In addition, following the merging of the information relating to the former special sections into the statistics of their respective parent institutions, there may be breaks in the time series for the distribution of loans and deposits by branch location.

As of March 1998: the earlier tables on loans beyond the short-term are consolidated in some cases in order to facilitate the comparison of information. The detailed data continue to be provided on the "BIP on-line statistical database".

As of January 1999: following the start of Stage Three of EMU and the related changes in supervisory returns, the concept of central bank has been redefined; consequently, the banks' positions with "BI-UIC" have been replaced by those with "BI-ECB".

As of January 2005: in the "institutional" classification the "Central credit institutions" category has been eliminated and the entities in question included in the "Banks established as società per azioni" category.

3.2 Reports to the Central Credit Register

As of March 1991: the threshold for reporting bad debts, previously set at 10 million lire, no longer applies.

As of January 1993: the reporting requirement extends to Italian banks' foreign branches for loans to borrowers resident in Italy.

As of January 1996: the reporting threshold for loans and guarantees to customers has been raised from 80 to 150 million lire. The rules regarding bad debts and personal guarantees issued by customers are unchanged.

As of January 1997: the introduction of the new report form has made it possible to add statistical distributions with fuller information on transactions between customers and reporting banks (see Section 2.2). In addition, the aggregated data on loans, bad debts and guarantees provided by customers are no longer adjusted to eliminate individual exposures of less than 150

million lire. The previous report form envisaged nine categories: liquidations of claims, direct loans, current accounts, foreign transactions, bad debts, transactions backed by real security, medium and long-term transactions and other, guarantees granted to customers, and personal guarantees received from customers. For loans and guarantees granted, both the amount granted and that used were reported. For guarantees received, the guarantee commitment was reported and set equal, unless otherwise specified, to the larger of total credit granted and that used.

As of January 2002: the Central Credit Register reporting threshold, which was previously equal to 150 million lire (77,469 euros) has been set to 75,000 euros.

As of January 2005: in the new form for reporting loans introduced following the 9th update of Circular no. 139 of 11 February 1991, intermediaries are required to report separately: – bad debts for an amount equal to the amount originally disbursed, net of repayments and gross of writedowns and writeoffs; – the stock of amounts written off over the entire duration of the credit relationship. Prior to that date, bad debts were reported gross of writedowns and net of writeoffs. However, unless stated otherwise, the series published continue to refer to bad debts net of writeoffs. A certain discontinuity can nonetheless be observed in the data between December 2004 and March 2005, especially as regards the information on financial intermediaries. It should also be noted that following the above-mentioned legislative update it is no longer possible to separate out the part of net bad debts backed by personal guarantees or collateral; consequently, as of January 2005 this information is no longer published. Lastly, in accordance with the New Capital Accord (Basel II), which considers the threshold of 1,000,000 euros as one of the criteria for distinguishing between “retail” and “corporate” customers, wherever possible this threshold has been shown in the tables disaggregated by size class.

3.3 Surveys of interest rates

As of March 1993: the 365-day calendar year has replaced the 360-day business year in the lending rate computation formula.

As of January 1996: the increase from 80 to 150 million lire in the Central Credit Register reporting threshold has had indirect effects on the survey of lending rates. For the sake of the comparability of time series data, rates referring to loans below the new reporting threshold are eliminated from the tables on lending rates for 1995 and 1996.

As of January 1997: the distributions relative to lending rates reflect the different information breakdown of the Central Credit Register’s new reporting form (see Section 2.2).

As of March 1998: interest rates on medium and long-term loans outstanding at the end of the reference period have been published.

As of March 2001: effective deposit rates, previously published annually, are now published quarterly (see “Additional information” concerning the Statistical Bulletin III/2002).

As of January 2002: the change in the Central Credit Register reporting threshold from 77,469 to 75,000 euros has had indirect effects on the survey of the lending rates.

As of March 2004 Bank of Italy Circular No. 251 of 17 July 2003 made far-reaching changes to the quarterly collection of sample data on lending and deposit rates. The number of reporting banks was increased and the report form was amended with provision made for the collection of additional data. Consequently, the tables of the Statistical Bulletin and of the Summary Report of the Statistical Bulletin have been completely revised.

3.4 Classifications of intermediaries up to 31 December 1994

A) Legal classification of former “banks” (aziende di credito): the institutions were attributed on the basis of the institutional criterion provided for in Article 5 of the 1936 Banking Law, now repealed. Central credit institutions were shown separately, in consideration of their operational specificity. Branches of foreign banks in Italy were included among “ordinary credit banks”.

B) Classification by size of banks raising mainly short-term funds: the classification was introduced into the Bank of Italy’s statistics in 1967.

On that occasion it was decided to:

- consider only a sample of banks (348 out of a total of 1,236) accounting for around 98 per cent of the banking system’s total deposits;

- classify commercial banks and savings banks separately, owing to the differences in their institutional arrangements and behaviour;
- adopt as a ranking parameter an index of operational capacity represented by the sum of customer deposits, special credit institution deposits, third-party funds under administration, and capital and reserves (average of quarterly data for 1967);
- divide commercial banks and savings banks into five size groups (major, large, average, small and minor);
- determine identical minimum class values for commercial banks and savings banks (respectively 1,000, 500, 200 and 50 billion lire) that were likely to ensure a sufficiently large spread between the marginal unit of each group and the first unit of the next group;
- hold the definition of the classes and distribution of the banks among them constant from one year to the next and revise the ranking every five years, in order to have continuous series for an interval long enough to allow temporal analyses but not so long as to render the characteristic size of each group devoid of meaning.

At the end of the first two five-year periods the ranking was revised according to the above general classification criteria and by applying the 5-year rate of increase in the ranking parameter recorded for commercial banks and savings banks as a whole to the boundaries between classes.

In 1983 the reference parameter was extended to include banks' net fund-raising abroad, in order to keep it consistent with the concept of potential domestic credit on which the classification is based. At the same time, the boundaries between classes were revised so as to maximize the distance, as measured by the parameter, between the last bank of each class and the first bank of the next. In 1988, when the sample of banks was revised, marginal adjustments were made to the group classed as "minor".

The classification by size, used in the Bulletins up to 31 December 1994, referred to all "banks raising mainly short-term funds" in operation. The criteria defining the groups of banks was consistent with those, described above, applied to the sample, with the exception of the last class ("minor" banks), which comprised banks not included in the sample. As of the data for 1994, the breakdown by size of banks raising mainly short-term funds into former "banks" (*aziende di credito*) and former savings banks has been dropped.

C) Institutional classification of special credit institutions. Breakdown of special credit institutions by institutional specialization into the following groups: industrial credit institutions, sections for financing public works, real estate credit institutions, agricultural credit institutions.

As of the Bulletin based on data for March 1992, the classifications by institutional category of banks and special credit institutions described in the preceding paragraph and at points A) and C) have been dropped since they were no longer significant following the structural changes in the banking system subsequent to the implementation of the "Amato Law".

3.5 Specific events

Time-series analysis of the statistical distributions must take account of specific events (e.g. the initiation of bankruptcy proceedings, disposal of bad debts) regarding individual reporting intermediaries that can introduce breaks into the time series or misalignments between the information flows from different sources. The most important and most recent events of this kind are as follows:

As of June 1996: following the start of the voluntary liquidation procedure by Isveimer, there are breaks in the time series based on supervisory returns. There may also be misalignments between these series and those drawn from reports to the Central Credit Register.

As of December 1996: there is a break in the series of bad loans drawn from supervisory returns owing to the disposal and subsequent securitization of a portfolio of non-performing mortgage loans (initially 200 billion lire; from March 1997 onwards an additional 280 billion).

As of January 1997: following the transfer of claims from Banco di Napoli to a non-bank subsidiary, there is a discontinuity in the series of loans and bad debts and in their breakdown by geographic location and economic sector of the borrower; in particular, there is a reduction of around 8.8 trillion lire in bad debts.

As of September 1997: both the series of bad debts drawn from supervisory returns and the similar series from reports to the Central Credit Register show a significant break, of which

around 2.8 trillion lire is attributable to the subjection of Sicilcassa S.p.A. to bankruptcy proceedings.

As of March 1998: the series of bad debts drawn from supervisory returns shows a discontinuity, of which around 420 billion lire is attributable to a disposal and subsequent securitization of non-performing real estate loans.

As of June 1998: the series classified by sector and segment of economic activity show a discontinuity owing to the alignment of the classification criteria with those of the new European System of National and Regional Accounts (ESA 95). Attention is drawn, in particular, to the discontinuities in the series referring to the sector “Non-financial corporations” and the subsector “Producer households”.

As of June 1999: the series of bad debts drawn from supervisory returns and the similar series from reports to the Central Credit Register show a significant break, of which around 3.0 trillion lire is attributable to a disposal and subsequent securitization of non-performing loans.

As of September 1999: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to a securitization transaction involving claims for a total nominal value of about 3,600 billion lire (comprising bad debts for 2,000 billion, substandard loans for 1,000 billion and performing loans for the remaining amount).

As of December 1999: there may be breaks in some of the series derived from both supervisory reports and reports to the Central Credit Register owing to a securitization transaction involving claims for a total nominal value of about 11,000 billion lire (comprising bad debts for 8,000 billion, substandard loans for 1,300 billion and performing loans for the remaining amount). Moreover, the reorganization of asset management activities in some large groups resulted in the transfer of a total of about 80,000 billion lire of assets under management from investments firms (SIMs) to asset management companies (SGRs).

As of June 2000: there may be breaks in some of the series derived from supervisory returns owing to a securitization transaction involving bad debts for a total nominal value of about 2,800 billion lire. In addition, following clarifications by the BIS on the classification of countries in its international statistics, some changes have been made to the table on “Foreign exposure”: claims on the ECB have been included under Germany instead of under international organizations; claims on residents of Guernsey, Jersey and the Isle of Man have been included under the United Kingdom instead of under offshore centres. These changes may result in breaks in the series for the countries concerned.

As of September 2000: following the addition in the supervisory reports submitted by Italian securities firms (SIMs) of data on their management of investment portfolios on behalf of other intermediaries, it has been possible to separate this item from their total portfolio management business. This may have caused discontinuities in the statistical series concerned.

As of December 2000: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 20,000 billion lire (including 10,000 billion of bad debts). Moreover, following the addition in the supervisory reports submitted by banks of data on their management of investment portfolios on behalf of other intermediaries, it has been possible to separate this item from their total portfolio management business. This may have caused discontinuities in the statistical series concerned.

As of March 2001: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing claims for a total nominal value of about 5,600 billion lire.

As of June 2001: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 19,000 billion lire (including 15,000 billion of bad debts).

As of September 2001: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 1.9 billion euros.

As of December 2001: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions

involving performing loans for a total nominal value of about 5 billion euros. In addition, some changes have been made to the table “Foreign exposure”:

- following clarifications by the BIS on the classification of countries in its international statistics, claims on residents of Guernsey, Jersey and the Isle of Man have been included under the offshore centres instead of the United Kingdom;
- the exposure in local currency of the euro–area countries comprises claims denominated in euros and the former euro–area currencies.

As of March 2002: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 4 billion euros (including 1.2 billion of bad debts). Moreover, owing to decisions taken by the central bank of Argentina concerning the suspension of the obligation to publish financial statistics, some Italian banks have not submitted complete reports on their exposures to borrowers resident in that country. Where necessary, in the table “Foreign exposure”, reference has been made to the 2001 year–end data in calculating the 2002 first–quarter aggregates for Argentina.

As of June 2002: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 2.2 billion euros (including 826 million of bad debts).

As of September 2002: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 2.3 billion euros (including 250 million of bad debts).

As of December 2002: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving claims for a total nominal value of about 5.5 billion euros (including 69 million of bad debts).

As of March 2003: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 1.2 billion euros.

As of June 2003: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 4 billion euros.

As of September 2003: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 1 billion euros.

As of December 2003: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 4.2 billion euros.

As of January 2004: the change in the institutional status of a large intermediary has caused breaks in some series. The discontinuities are especially pronounced in the tables on securities business.

As of March 2004: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 2.3 billion euros.

As of June 2004: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 4.6 billion euros.

As of September 2004: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 0.9 billion euros.

As of December 2004: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 5.6 billion euros (including 334 million of bad debts).

As of March 2005: there may be breaks in some of the series derived from both supervisory returns and reports to the Central Credit Register owing to securitization transactions involving performing loans for a total nominal value of about 5.6 billion euros (including 173 million of bad debts).

For technical reasons the information concerning “General government” reported in the Statistical Bulletin still includes the transactions of “Cassa Depositi e Prestiti”, which, following its transformation into a *società per azioni* pursuant to Law 326/2003, has been classified outside that sector in the national accounts. As part of the regular updating of the the Bank of Italy’s statistical data base (BIP on-line), as of the next issue the information in question will be processed in accordance with the new legal framework.

Glossary

Glossary of terms in the tables

APRC	the conventional summary of the cost of credit. It is the rate that equalizes, on an annual basis, the sum of the present values of all the amounts making up the financing disbursed by the creditor and the sum of the present values of all repayment instalments (see the Minister of the Treasury Decree of 8 July 1992 on consumer credit).
ASSETS UNDER MANAGEMENT (PORTFOLIO MANAGEMENT SERVICES)	the end-of-period value of the portfolio, liquid assets in respect of management contracts, interest accrued at the reporting reference date and other assets and liabilities related to the management function attributable to customers.
BAD DEBTS	the total loans outstanding to persons who have been declared insolvent or who are in a basically comparable situation regardless of the security held and gross of writedowns effected for forecast losses. Any differences between data drawn from supervisory reports and the Central Credit Register stem from marginal differences between the legal provisions governing the data collection methods of the two systems.
BORROWERS (NUMBER)	physical and legal persons and holders of joint account who have been the object, at the reference date, of one or more reports to the Central Credit Register on the granting of loans or guarantees.
CENTRAL ITALY	comprises the following regions: Tuscany, Marche, Umbria and Lazio.
COLLECTIVE INVESTMENT UNDERTAKINGS (UNITS OF)	comprising Undertakings for Collective Investment in Transferable Securities (UCITS) and real-estate investment funds. In the statistical distributions of the Bulletin, UCITS comprise the following types of institutional investors: open-end securities investment funds and SICAVs.
CUSTOMER ASSETS UNDER MANAGEMENT: TOTAL SECURITIES (NOMINAL VALUE)	total securities and other financial instruments, net of own liabilities in issue, that an intermediary receives from customers for safekeeping or administration or in connection with the management of portfolios of securities; the aggregate includes securities held on deposit by the intermediary as the depository bank for collective investment schemes (under Article 36 of Legislative Decree 58/1998).
CUSTOMER BRANCH OF ECONOMIC ACTIVITY	Grouping of institutional units on the basis of the prevalent productive activity. The method of classifying customers is described in detail in the manual "Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica", published by the Bank of Italy. The present classification, which was introduced on 1 January 1989, is based on criteria consistent with those used by Istat, which, in turn, reflect those used in the European System of Integrated Economic Accounts (ESA). In order to ensure the confidentiality of information, in some tables it has been necessary to aggregate the data of some of the branches in "macrobranches".
CUSTOMER LOCATION	geographical area, region or province of the registered office or domicile of banks' counterparties. Marginal disparities between data drawn from supervisory reports and the Central Credit Register stem from differences between the data collection methods of the two systems.
CUSTOMER SECTORS AND SEGMENTS OF ECONOMIC ACTIVITY	groupings of institutional units on the basis of their principal economic function. The classification is on three levels: sectors, sub-sectors and sub-groups. Groupings of sectors, sub-sectors and branches (see above) of economic activity are called segments. The method of classifying customers is described in detail in the manual "Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica", published by the Bank of Italy. The present classification, which has been in force since June 1998, is based on criteria consistent with those used by Istat, which, in turn, reflect those used in the European System of National and Regional Accounts (ESA95).
DEPOSITS	funds raised from non-banks by banks in the form of: sight and time savings deposits, savings certificates, certificates of deposit, current accounts and time current accounts.

**DERIVATES TRADING
(QUARTERLY FLOW)**

derivative instruments are contracts serving to modify the exposure of the parties to market risks. As a rule they provide for the settlement at a specified future date of the difference between the price (or rate of return) prevailing at that date of a reference financial instrument and that determined in the contract or for the delivery or receipt at a future date of a financial instrument at a predetermined price. In the data on trading, derivative contracts with an underlying security are valued on the basis of the agreed price, those without an underlying security on the basis of the notional capital. Some instruments are an exception in this respect and are valued as follows: stock index options and futures, on the basis of the notional capital multiplied by the value of the index at the date the contract was concluded; futures options, on the basis of the notional capital multiplied by the price agreed for the futures contract; futures on debt securities, on the basis of the notional capital multiplied by the price agreed for the futures contract. Where transactions in derivative instruments are carried out on organized markets, purchases and sales serving to close positions of the opposite sign are not counted.

**ECONOMIC PURPOSE OF THE
INVESTMENT**

designed to identify the nature and location of the investment or durable goods being financed independently of the economic classification and location of the customer.

FACILITIES GRANTED

the amount of credit that the customer can use directly insofar as it derives from a fully effective contract that has been concluded.

GUARANTEES GRANTED

transactions (endorsements, guarantees, documentary credits, etc.) by means of which an intermediary undertakes to take over or guarantee the liability of a third party.

**GUARANTEES GRANTED TO
CUSTOMERS**

transactions (endorsements, guarantees, documentary credits, etc.) by means of which intermediaries provide cover for commercial and/or financial transactions undertaken by their customers. personal guarantees issued by third parties to intermediaries in favour of their borrowers.

**INITIAL PERIOD OF RATE
FIXATION**

the contractually agreed period during which the interest rate may not be changed. This classification variable has a value only for matched loans and term loans. However, revocable loans are conventionally included in the "variable interest rate or fixed up to 1 year" duration class.

ISLANDS

comprises the following regions: Sicily and Sardinia.

LOAN FACILITIES

loans reported to the Central Credit Register net of bad debts, granted or disbursed by reporting banks. The aggregate includes the following forms of lending: matched loans, term loans, revocable loans and credit claims involved in bankruptcy proceedings. The difference between the used margin of "loan facilities" and the item "loans" consists in the exclusion of bad debts and the inclusion of repurchase agreements.

LOANS

loans disbursed by banks to non-banks. The aggregate includes the bill portfolio, current account overdrafts, advances (on bills of exchange and other import and export documentary credits), mortgage loans, advances not settled via current accounts, stock exchange repos, sundry secured loans not settled via current accounts, pledge loans, loans secured by pledge of salaries, loans granted from funds administered for third parties, other financial investments (traded banker's acceptances, commercial paper, etc.) bad debts, unpaid and protested own bills. The aggregate is net of interest and repurchase agreements.

**MEDIUM AND LONG-TERM
LOANS**

loans (excluding interest, repos, bad debts, unpaid and protested own bills, and export credits) with an original maturity of more than 18 months.

**NET ASSETS (COLLECTIVE
ASSET MANAGEMENT)**

the difference between the value of the portfolio, the liquidity and the other assets managed by a collective investment undertaking and any debts and other liabilities the same may have.

NORTH-EAST ITALY

comprises the following regions: Trentino Alto Adige, Veneto, Friuli-Venezia Giulia and Emilia Romagna.

NORTH-WEST ITALY

comprises the following regions: Piedmont, Valle d'Aosta, Liguria and Lombardy.

OVERSHOOT

the positive difference between credit used, excluding bad debts, and credit granted. The item is calculated for each transaction reported by each intermediary to the Central Credit Register, with no offsetting between transactions that show unused margins or intermediaries that report the same customer.

RESIDENTS

bank customers are classified as residents on the basis of the foreign exchange provisions in force.

SECURITIES

securities in general and documents representing securities. The item comprises debt securities and equity securities, including certificates of deposit and savings certificates but excluding interbank certificates of deposit.

SOUTHERN ITALY	comprises the following regions: Abruzzo, Molise, Campania, Puglia, Basilicata and Calabria.
TOTAL CREDIT GRANTED (SIZE CLASSES)	the sum of the loan facilities granted to each borrower by all the intermediaries reporting to the Central Credit Register.
UNUSED MARGIN	positive difference between credit granted and credit used. The item is calculated for each transaction reported by each intermediary to the Central Credit Register, with no offsetting between transactions that show overshoots or intermediaries that report the same customer.
USED MARGIN	the amount of credit actually disbursed to a customer; in the case of “guarantees issued to customers”, the amount of the guarantees actually granted.