

Origins and developments of banking systems in a “région frontière”. A comparative approach between Italy and Switzerland

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Abstract

This paper focuses on the banking interplay of two border regions between Italy and Switzerland from the late XIXth century to the 1970s. Special attention will be devoted to the Canton Ticino and to the Italian border town of Como, as they appear as an outstanding case-study due to the reciprocal influences which have had long-lasting effects on the local economic environment. Notably, the existence of a political frontier had strongly affected the birth of a banking sector in the two areas, which show quite peculiar characters: the cases of Banca della Svizzera Italiana and of Banco Lariano look very meaningful in this regard. The most apparent consequences of such a relationship are very clear in the second half of the last century, when the international capital flows from Italy to Switzerland grew dramatically, but even before primary border effects had brought about a substantial influence on the way these local economic systems have been developing over time. This raises a question on the very concept of border, as a barrier or a filter, depending on which historical period is considered: both of the two meanings are bound to affect the local regions in quite different ways.

1. Introduction

The evolution of local banking systems in border regions can be mostly explained by means of the conceptual framework – drawn from the economic geography's theory – of *région frontière*, i.e. a part of territory which is socially and economically deeply influenced by the existence of a political divide. Historically, the Swiss-Italian border line has been playing different functions as a “barrier” or “filter” or “contact point”, depending on which period we are referring to and on the diverse degree of permeability that it displays over time. Such a concept looks particularly noteworthy now, due to the double dimension of the European integration, international and regional at once, as it is made clear by the telling definition “Europe of regions”. In this regard, border areas have to exert a role of connecting tissue between different institutional contexts: “in the Europe of the 20th century, the most important difference with the 'old' Europe of Countries will consist not only of the abolition of barriers and frontiers, but also and more generally speaking in the transformation of the border from a barrier into a contact line”.

Moreover, the attention devoted by some economic historians to the regional dimension of industrialization also suggests the importance of a political frontier as a possible factor of separation within a same economic region, with no clear effect on the development trajectories followed by the single bordering areas. Specifically, this fact may give rise to competitive advantages able to affect the economic and financial

evolution of both sides of the frontier. This was certainly the case of the Swiss Italian-speaking canton of Tessin and the bordering Italian province of Como between 19th and 20th centuries, when their respective financial and banking systems developed in rather different ways due to the existence there of a political divide. Even though Tessin can be considered, geographically speaking, as part of the highly developed Italian region of Lombardy, the administrative frontier provided the Swiss Canton with competitive advantages which made it one of the Confederation's most active banking centres in the long-run. In its turn, the Como's banking activity as well has been deeply affected by the proximity to Switzerland, taking advantages of the many business opportunities related to large cross-border commercial and financial flows.

The Swiss-Italian borderline



2. The origins of two banking systems (late 19th century)

In the second half of the 19th century, Tessin's economy appeared to be at a lower stage of development compared to the rest of Switzerland and also to the neighbouring Lombardy. Although some new industries were actually introduced in those years, a more relevant industrialization only occurred with a certain delay at the beginning of the new century. In such a backward economy, the opening in 1882 of the railway tunnel of S. Gotthard could also promote the integration of the Italian-speaking Canton within the Confederation.

The weak economic structure of Tessin didn't prevent the rise of a local banking system which, however, was ultimately bound to look for investment opportunities outside the narrow boundaries of the Canton. The early stage of this process was characterized by the foundation of several credit institutions of little dimension, especially compared with major Swiss banks: Banca cantonale ticinese (1861), Banca della Svizzera italiana - Bsi (1873), Banca popolare ticinese (1885), Banca popolare di Lugano (1889), Credito ticinese (1890), Banca Svizzera Americana (1897), Società bancaria ticinese (1904) and Banca agricola commerciale (1904). Many of them devoted special efforts to open up business connections with the Italian market taking advantage of the apparent cultural and linguistic affinities, mainly with Lombardy and Piedmont, where strong Swiss colonies were already settled.

In this regard, the case of Banca cantonale ticinese looks noteworthy as it is proved by the investments it made in the near Kingdom, especially in Turin, which eventually brought about remarkable losses to the Swiss bank during the 1880s. Besides, it must be stressed the great importance foreign exchange operations had for this bank – and for others as well – exploiting the undervaluation of Italian money during the phase of its inconvertibility (*corso forzoso*), declared in 1866, in force up to 1883 and reintroduced in 1894 under the pressure of a ruinous financial crisis. No doubt, proximity to the frontier was to be a primary competitive advantage for making the most of such business opportunities.

Even more outstanding seems the case of Bsi, whose long-lasting activity clearly proves the capital flows back and forth from Italy to Switzerland and vice-versa. Although considered as a local bank, Bsi had been founded in 1873 on the initiative of three big credit institutions from outside the Canton. As a matter of fact, along with Tessin's industrial entrepreneurs and businessmen, a crucial contribution was provided by the Kreditanstalt of Zurich, the Basler Bankverein and by a primary Italian institution, the Banca Generale of Rome. The lead of the initiative was probably taken by the latter, as the preliminary agreement was signed by the partners in Turin and the first board of directors was made up of several Italian members such as Antonio Allievi, Banca Generale's director, and other bankers from Milan.

As a local bank, Bsi's activity was firstly addressed to supply credit and financial services for its own territory. The bank's involvement in financing local infrastructures (mainly railways) towards the rest of Confederation and linking the neighbouring Italian areas of Como and Varese were aimed to promote a deeper integration of Tessin within a wider economic space that wouldn't take into account the political frontier and include part of the Italian region of Lombardy.

Strong connections with the Italian market were even more apparent if we look at the interplay between Bsi and Banca Generale. In fact – even if there are no clear archival indications for that – due to the preference of the latter to raise capitals through interbank accounts, it is not unreasonable to assume that Bsi was to be a reservoir of foreign capitals for the Italian bank, which also participated in some new credit institutions abroad since 1872.

Besides that, it is interesting to note that the Bsi invested directly on the Italian market as well, usually together with Banca Generale, buying stocks and bonds of primary companies such as Società fondiaria milanese, Fondiaria italiana, Generale immobiliare, Strade ferrate del Mediterraneo and Navigazione Rubattino. In 1880, with the partnership of its Italian clients and shareholders, Bsi set up a new affiliated bank in Milan, the Banca Svizzera Italiana, entitled to manage the economic interests the Swiss bank had on that place. Finally, Bsi also opened branches in the industrial areas of

Gallarate, Luino and Domodossola, little towns north of Milan with deep-rooted Swiss colonies.

The banking crisis in the early 1890s had disruptive consequences for several Italian banks. Banca Generale was heavily hit by the economic difficulties of the time so it was eventually forced into liquidation. As well-known, a major outcome of such a banking turmoil was the foundation in 1894-95 of two big “universal banks”, Banca commerciale italiana (Comit) and Credito italiano (Credit). Foreign capitals played a crucial function in these new banks. German, Austrian and Swiss capitals were strongly represented in Comit and Bsi as well had a share in it, together with two others Tessin's banks, Banca cantonale ticinese and Banca popolare ticinese. The amount granted to Bsi was just a little participation (0.7% of the whole share capital), anyhow it was enough to secure the cooperation of a big Italian bank. In fact, as occasion required, it turned out to be a necessary prerequisite to seize business opportunities in the Italian market.

The Tessin's early banking system was then able to thrive thanks to the tight linkages it could exploit beyond the frontier. Indeed, this looked like one of the most outstanding features of a border region whose development was mainly driven by the financial sector, as industry was still unable to effectively impress a “big spurt” to the local economy that kept to be relatively poor compared to the rest of Switzerland. The rise and fall of Tessin's banks was strictly correlated to the growth of the Italian economy and was strongly affected by the periodical crisis of Italian banks, as it was apparent in the early 1890s. It is far more challenging to find out the effects brought forth by the frontier to the Italian place of Como, which appears as a little industrial town embedded between Switzerland and the main financial and trade centre of Milan.

Contrary to Tessin, Como's economy was backed up by a well-developed secondary sector, traditionally based on silk manufacturing, while international trading – silk exports were of primary importance for the national trade balance – was mainly carried out through the place of Milan. The main characters of this industry lay in a high degree of fragmentation that was probably a by-product of the high volatility affecting the silk market, due to both supply and demand shocks. The very nature of such a production made this area familiar with international markets and called for a credit infrastructure able to provide financial assistance to support commercial relations abroad. Over time this brought about the emergence of an international network of correspondents, making possible for the local business community to build steady connections with foreign banking operators.

This could potentially provide strong incentives for a well-grounded local banking system. Instead, it looks noticeable the long-lasting dominance of banking limited partnerships (the *accomandite*, made up of two types of partners – the *accomandanti* and the *accomandatari* – with limited and unlimited responsibility, respectively) and the seemingly weak demand for a strong credit institution as a joint-stock company, at least compared to many other cities of Lombardy, even the little neighbouring centres of Lecco and Varese. It was a peculiar organization of credit, which favoured a keen competition as a consequence of the high degree of fragmentation of credit institutions. This in turn seemed to reflect the main characters of the above-mentioned industrial structure, which had been guiding the brisk process of creation of new banking companies.

Local business community was looking for diversification of financial sources and the possibility to resort to a large variety of credit operators granted favourable conditions to debtors. The institutional organization of limited partnerships favoured more direct relations between debtors and creditors and this should have been especially

appreciated by a kind of businessmen which required discrete and quick ways of getting credit.

The aggressive policy of local bankers was particularly noticeable: indeed, they behaved as a sort of *Hausbank* for small and big firms of Como, probably facilitated by traditional financial relations with Milan. Such an attitude could hardly be traced elsewhere in the neighbouring areas, so that the need for a local ordinary credit institution could effectively be put off until the first decade of the 20th century. Besides, it must be noted that capital requirements in the secondary sector were not so high, mostly considering that a real dimensional growth of major establishments took place only since the late 19th century. In addition, just a portion of those needs was met by banks, as an important (though hard to work out) component was supplied through self-financing and informal credit relationships, often based on friendship or family ties: these latter were still observable in many industrial companies of the province after WWII.

The very functioning of this banking system, however, cannot be fully understood without taking into account the “geography” of such a province, i.e. its proximity to Switzerland, whose effect on the local economy has not been thoroughly investigated yet. What did a border mean for a rich industrial area embedded in one of the fastest-growing European regions? Rising commercial flows between Italy and Switzerland, and, through this country, to central Europe were directly related to growing economies and improved infrastructures (see Gothard and Simplon railway tunnels). Moreover, an even more striking feature of those years seemed to be the deep integration attained by Italy and Switzerland as they joined the Latin Monetary Union (1865), which standardized currencies among the member states according to a bimetallic standard based on silver and gold. This fact brought about huge flows of metallic currencies from one country to another, especially from Italy to other partners such as Switzerland, in order to take advantage of speculation opportunities on exchanges following the inconvertibility of Lira decreed in 1866: as a matter of fact, in 1892 around 60% of silver coins that were circulating in the Swiss Confederation had been coined in Italy.

These currency movements couldn't be without consequence on frontier areas such as Como and Tessin, which could benefit from intense cross-border speculation. It was a competitive advantage related to their geography, that had been clearly exploited throughout the 20th century as well, when Italian capital exports reached impressive amounts for a wide range of reasons, last but not least fiscal and political ones. As we have pointed out earlier, in the second half of the 19th century these capital flows must already have been of some importance, even if it is still not possible to provide a reliable estimation at the moment. The direct involvement of Como's financial operators and Tessin's banks in arbitrage activities clearly proves the many ties that joined the two sides of the frontier, so that there were also cases of Tessin's operators (see the Banca cantonale ticinese) which had a share in Como's banks. Notably, the Como's branch itself of the issuing institution Banca Nazionale nel Regno openly recognized that its own range of operation spread well beyond the local province, meeting the needs of a unique economic area made up of Tessin as well.

3. The border line until WWII

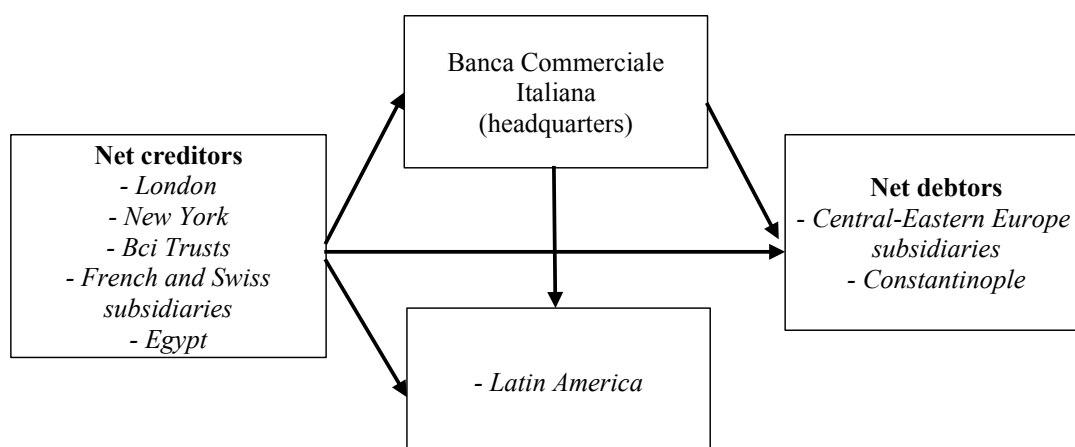
The early 20th century was a turning point for these banking systems, as a common evolution took place across the border. Both the Italian and Swiss sides of the frontier had been attracting – either directly or indirectly – increasing interests by major national credit institutions. As to Tessin, the Société de Banque Suisse set up a branch in Chiasso

in 1908, and the *Crédit Suisse* followed in Lugano in 1913. The Canton's industrialization and, above all, the international business opportunities with Italy must be on the grounds of such a decision.

At the same time, some big Italian banks set out to develop an international organization (primarily including Near East, Eastern Europe, Latin America and the major financial centres of London, New York and Paris) that appeared as a necessary condition to foster the country's industrial growth. It followed that a presence on the Swiss place was also to be of primary importance due to its close ties with Italy and other international markets. As a matter of fact, this goal was mainly attained by gaining control of affiliated banks, as it was the case of *Banca unione di credito* in Lugano (founded in 1919 on the initiative of *Credito italiano*) and of *Bsi*, whose share capital had been mostly acquired by *Banca commerciale italiana* in 1909. At the time, fiscal reasons had probably a bearing on this latter step, because it allowed the clients of the Italian bank to deposit foreign securities in a credit institution abroad, and by this way to avoid paying taxes introduced in Italy in that year on foreign securities, otherwise due if these ones were deposited in an Italian bank.

It should be noted, however, that the interplay between the two banks was much deeper due to the *Bsi*'s involvement in financing Italian companies on *Comit*'s account. More precisely, *Bsi* played a crucial role in providing the *Comit*'s banking group with remarkable amounts of financial resources and foreign currencies. Therefore, together with the branches of London and New York and the French and Egyptian affiliated banks, the place of Lugano was at the forefront of capital flows on a global basis. They were net creditors within the group as they supplied it with currencies and acceptance services, necessary to finance the Italian international trade. In fact, they had been moving capitals towards the headquarters in Milan and of a second group of affiliated banks which were dependent for their financial needs, mainly sited in the central-eastern European countries. Finally, a third category of affiliated banks was based in Latin America, where they were able to work independently even if sometimes they had to resort to the first group as to exchange and acceptance services (graph. 1).

Graph. 1 – Banca Commerciale Italiana: banking group during the 1920s.

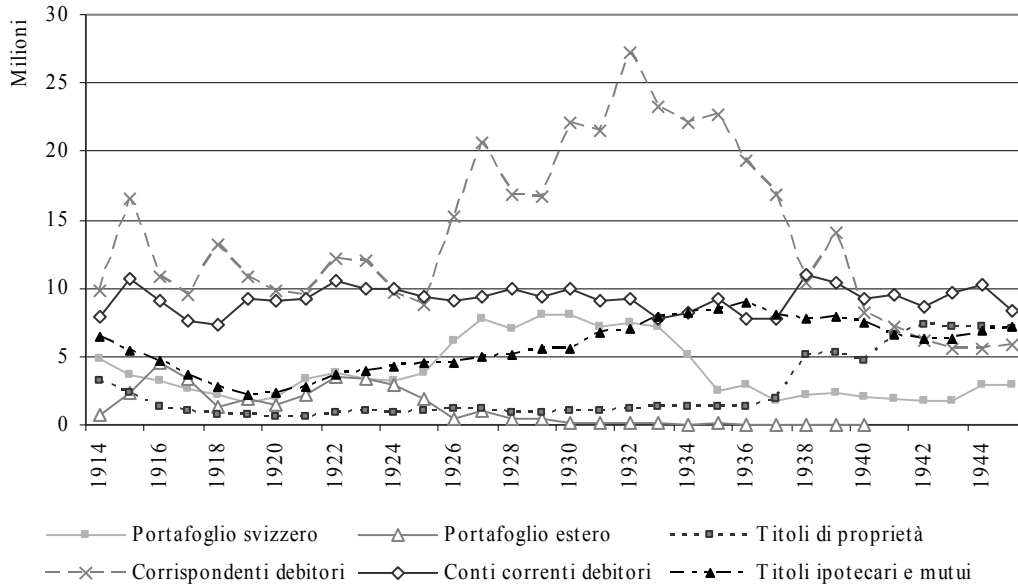


In 1932 about 60% of financial resources collected by *Bsi* was channelled to the rest of the group while, in 1937, 12% of the whole amount of foreign currencies available to *Comit* was supplied by this Swiss bank, which was an outstanding contribution to overcome the international strains brought about by severe controls on foreign exchange

market (in Italy, State monopoly on foreign exchange was actually introduced in 1934). A consequence that can be drawn is the strict dependence of Bsi as liquidity reservoir of the Italian headquarters, as it is apparent looking at the breakdown of assets of the Swiss bank which highlights a clear pre-eminence of current accounts with banking correspondents (“Corrispondenti debitori”) (graph. 2). Bsi could do that thanks to a growing ability to collect new deposits throughout the 1920s and we cannot rule out the possibility this was essentially a by-product of capital inflows from Italy, as it would be suggested by the steady trend of savings accounts (“Libretti di deposito” and “Depositi a cassa di risparmio garantita”) in spite of the swift growth of the more volatile component of current accounts (“Conti correnti creditori”) (graph. 3). In this respect, the rising importance of the Swiss financial place following WWI must have played a key-function to promote massive inflows of foreign capitals which significantly increased the deposits managed by Swiss banks.

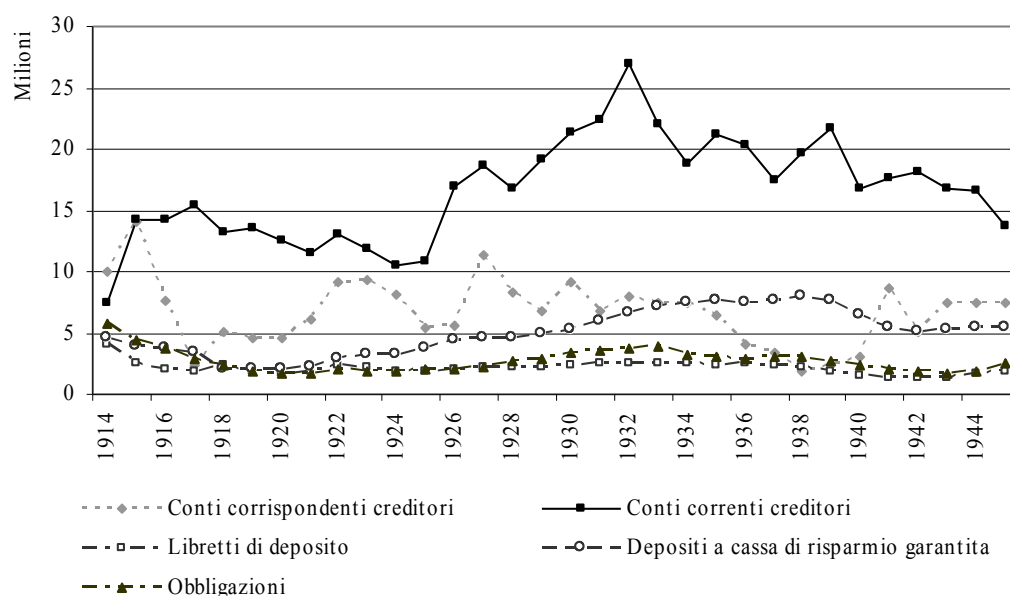
Graph. 2 – Bsi's assets 1914-1945 (mln of Swiss Francs 1914)

Source: BSI, Rapporto agli azionisti, ad annos, in ASI-BCI, Us, b, 8.



Graph. 3 – Bsi's liabilities 1914-1945 (mln of Swiss Francs 1914)

Source: BSI, Rapporto agli azionisti, ad annos, in ASI-BCI, Us, b, 8.



A quite remarkable change in the local banking system took place in Como as well, following a period of general instability. A crisis hit many local banks in the first decade of the 20th century, even the most important ones such as Tajana Perti & C. and the Sala Regazzoni & C., the latter being forced into liquidation. Those difficulties clearly proved the prevailing attitude of such banks to get engaged in risky investments in order to cope with high level of competition. Besides, a contemporary transformation in the local industrial organization brought forth bigger establishments and a consolidation of joint-stock companies, which called for a more stable and powerful credit environment that couldn't rely any more on the only support provided by the relatively small banking *accomandite*.

A major push towards credit institutionalization came up on the very initiative of the local business community together with some outstanding Milanese financial operators. These ones were already strictly connected to the local credit market: Credito italiano, for instance, seemed to have friendly relations with the bankers Antonio Tajana, Luigi Perti and Clerici Molteni & C., while Banca commerciale italiana was the limited partner of the Banca e cambio Arnolfo Cameroni & C. However, a first move for a reorganization of the this place had actually been made in 1906, when a branch of the Società bancaria italiana (Sbi) was eventually established after a merging with the local limited partnership banks Catelli Corti & C. and Clerici Giorgetti & C. The role played on this occasion by local businessmen shouldn't have been negligible as primary representatives among them (see Pietro Baragiola and Enrico Scalini) proved successful in gaining control positions within the Sbi's board of directors.

A major turning point was however represented by the creation of Banco lariano in 1908, that was bound to become a reference credit institution for the whole province in the following decades. It was established thanks to a joint initiative of Como's businessmen and the Milanese banks Credito italiano, Prandoni and Zaccaria Pisa, which finally turned the local bank Tajana Perti & C. into a joint-stock company endowed with a greater financial potential. Thereafter, other national banks (Banca commerciale italiana, Credito italiano, Banco ambrosiano, Banca nazionale di credito,

Banco di Roma, Banca agricola italiana, Unione bancaria nazionale) set up their own branches on this place so that, in the mid 1920s, Como's banking system came out to be far more diversified than two decades before. Almost all the major national banks were now directly present on this frontier area, along with the central bank Banca d'Italia, the savings bank Cassa di risparmio delle province lombarde, the people's bank Banca popolare di Como, the Banco lariano and some other minor bankers.

Due to its large influence on the local economy, a particular attention must be devoted to Banco lariano. The increasing resources available to this bank made it necessary to look for new business opportunities in other provinces as well, essentially Milan and Varese, due to a structural excess of deposits compared to the limited local investment possibilities. Anyway, the proximity to Switzerland also gave the bank other alternatives to exploit, mainly related to foreign exchange activity and international trade financing. These kind of operations shouldn't have been worthless for the Banco lariano since its very beginning, when it tried to open (even if without success) a branch in the neighbouring Swiss town of Chiasso to make the most of the many relations with Switzerland. More generally, it tried hard to expand its own activity on that place through services provided to shipping-agents. Also arbitrage operations with this country seemed to be especially profitable during the WWI, while growing difficulties slowed down the ordinary discount activity. On the other hand, negative spill-over effects could also take place as it was the case of cross-border financial instability following the impressive Tessin's banking crisis in 1914 which had a bearing on deposits collected in the Como's place as well.

The legislative regulations introduced during WWI and then the beginning of a severe legislation aimed to strictly control the international trade and foreign exchanges since the mid 1930s caused the political and economic framework to be dramatically turned over. This should give rise to particularly serious drawbacks for a border town such as Como, which had been fostering outflows of Italian banknotes towards Switzerland and inflows of Swiss Francs, and whose main industrial production, based on silk, was mostly addressed to international markets. These limitations had an immediate consequence, for instance, on the ability of the border agency of Banco lariano in Ponte Chiasso to keep doing its ordinary activity connected with foreign commerce and currency exchange.

Last but not least, the border effect was of primary importance throughout WWII. In those years, Banco lariano reached very high levels of liquidity due to the outstanding rise in deposits – even after the turning point of September 1943 – as a consequence of the massive inflows to the Como's province of evacuated people and firms from Milan in search of a safe place near the frontier with the neutral Switzerland. It was essentially “hot money”, flowed to Como for exceptional political reasons and then potentially unstable, but it turned out to be essential during the post-war period in giving the local banking place the opportunity to get hold of new clients from outside the provincial area.

4. Beyond WWII: between liberalization and capital controls

The changes occurred in these banking systems after WWII are quite complex and difficult to summarize in few words. Therefore, we have to focus on just some main features that may help us to gain a better understanding of what actually happened in that period. Firstly, the golden age of global economy in the 1950s and 1960s clearly had strong positive effects on the border areas of Tessin and Como. Anyway, as to the Swiss side, this trend didn't imply a decisive growth of the secondary sector: instead,

apart from several investments in the real estate market, it brought about an impressive development of financial and banking services that reached even higher rates of growth than Switzerland on his whole (for instance, the number of banking counters rose from 128 in 1950 to 221 in 1970, that is an increase of 73% compared with a national average of 20%).

It should be stressed that this outcome was mainly attained for the interplay of two components. On the one side, the small Swiss Italian-speaking region of Tessin was able to spur the creation of a large banking sector thanks to the illegal inflow of considerable amounts of Italian capitals (around 7.7 bln \$ during the 1960s, according to an estimation based on the remittances of Italian banknotes) that moved across the border looking for the favourable economic and political conditions provided by Switzerland. In 1963 and 1969, when such flows reached their high point in that decade, they have been estimated equal to 2.5% and 2.3% of the Italian GDP, respectively. More interestingly, the available estimations seem to point out that in those years Italy turned from a net debtor into a net creditor status towards Switzerland.

On the other hand, the establishment of several banks since the late 1940s was carried out by Italian credit institutions and private investors in order to supply deposit and investment services required by the rising flows of capitals coming from the Peninsula: Banco di Roma per la Svizzera (1947), Cornèr Bank (1952), Interchange Bank (1954), Banca di credito e commercio (1954), Banca del Gottardo (1957), Banca del Ceresio (1958), Banca del Sempione (1960), Banca prealpina (1963), Banca commerciale di Lugano (1963), Banca Vallugano (1964). It's then proved that Italian capitals and entrepreneurial initiatives played a pivotal role in building a strong banking sector in Tessin, which was also of primary importance for the local economy, so that Lugano could eventually reach the third position as national financial centre, just following Zurich and Geneva.

It's not possible to work out how much of these capital movements had been taken by Tessin's banks, but we may guess that it should have been a big share. The Bsi, for instance, which was the main local credit institution, was positively affected by that exceptional inflow of money from outside the Canton, so that its total liabilities tripled in real terms between 1960 and 1970. Even more striking was the growth of trust accounts, mainly invested in the Euromarket, whose amount sometimes matched that of total liabilities.

The final destination of the exported money had been changing over time. As a matter of fact, in the early 1960s they were likely to get back to Italy dressed up as foreign capitals, in order to take advantage of the better fiscal conditions accorded to them by the Italian legislation compared to the domestic ones: free convertibility for non-resident accounts introduced by the Italian authorities in 1958, following the European Monetary Agreement of that year, was a clear incentive for this kind of operations. In the second part of the decade, however, more and more capitals were pushed to be invested abroad as in the fast-growing Euromarket, where they could profit from higher interest rates on international markets.

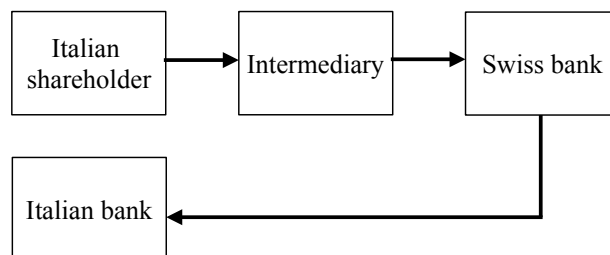
It should be noted, however, that such capital outflows were not without consequences on the Italian banking infrastructure as well, and especially on the place of Como. Although this appears a crucial point to better understand how a same process may impact on different areas along the frontier, it has not received specific attention by the historical research yet. Unfortunately, due to the illegal nature (from an Italian point of view) of these cross-border movements, it is not easy to get a thorough comprehension of that, anyway it is without question that the impressive growth of Tessin's banking system couldn't have taken place without being backed by a network of

Italian stock-brokers and corresponding banks which made it possible to effectively carry out the financial flows from and to Switzerland. In this regard, it is fairly straightforward that Milan was to be an important reference place but some clues seem to suggest a remarkable involvement of Como as well, which capitalises on its geographical closeness to the Swiss Confederation.

As already pointed out, a raw estimation of these capital exports was based on remittances of Italian banknotes throughout the 1960s. An explanation of how such remittances to Italy were carried out was provided in 1963 by Guido Carli, Governor of the Bank of Italy, who summarized that process in the following steps (graph. 4):

1. the Italian owner of X stocks resolves to sell them in order to buy them again with the intermediation of a foreign bank and so getting fiscal advantages;
2. the money got from such a selling is deposited in an Italian bank on the account of a Y intermediary stock-broker;
3. this one withdraws Italian banknotes and arranges to send them to a Swiss bank, which in turn opens an account in Swiss Francs put under the intermediary's name;
4. the Swiss bank sends back by mail the Italian banknotes (now dressed-up as foreign capitals and so freely convertible, according to the Italian legislation) to a corresponding Italian bank;
5. the Y intermediary may also give instructions to the Swiss bank to send Swiss Francs to the corresponding Italian bank in order to buy again the X stocks (otherwise the current account under the intermediary's name in the Swiss bank could be kept as available funds or used for other foreign investments).

Graph. 4 – Illegal exports of Italian banknotes (1963)



Also due to the actual movements of banknotes sent by mail from one side of the border to the other, Como should take a big advantage from its location. Its outstanding role was proved, for example, by the large amount of remittances that were collected by banks on that place, mainly by the local branches of Banco di Roma, Banca commerciale italiana, Credito italiano and by Banco lariano. In 1962, they reached the considerable amount of some 119 bln Lire, that was to say one quarter of the total remittances flowing from Switzerland to Italy (which in turn were 99.5% of the whole amount of Italian banknotes sent back to the Peninsula that year).

Anyway, such currency transactions were just a part of all the operations carried out by the Como's banking system: a large business sector was represented, for instance, by foreign trade financing (see also credit relations of Banco lariano with some Swiss shipping-agents), which took advantage of the proximity to the international customs of Chiasso. Besides, local banks could also rely on a strong industrial base with tight connections with the main financial and administrative centre of Milan, that is geographically very close to Como. The increasing activities of Banco lariano outside the province, looking for business opportunities to Milan and Varese, showed the deeper integration of the regional market and the fast growth of this bank over time,

well beyond local boundaries. At the same time, local businessmen seem to gradually lose control of Banco lariano: since 1948 the majority share was taken by the Châtillon, a textile company within the Edison group, and in 1977 by the Istituto bancario San Paolo di Torino. In this regard, the places of Como and Lugano look quite similar, as their respective banking systems are (today as throughout the 20th century) strongly dependent to external interests that have been attracted there by the possibility to profit from the economic advantages provided by this border region.