

PRESS RELEASE

Banks: ABI, profits down but the sector is resisting the crisis and supporting the economy

ABI presents its second half-yearly report as at 31 December 2009: RoE down to 4%, net profit drops by 22.2%, write-downs reach 20 billion, capitalisation level improves

Once again in 2009 the effects of the economic crisis weighed heavily on Italian banks, which recorded falling profits and a significant increase in non performing positions and loan write-downs.

In a highly complex global scenario, however, the Italian banking sector continues to prove itself sound and stable, even compared to other major Eurozone countries.

The delicate market situation still calls for all financial operators to pull together, especially the banks, to ensure that the regulatory framework is increasingly consistent in strengthening the support role played by the Italian banking sector in the country's economic development.

The 2009 Report on the Banking Sector was presented in Rome today by ABI's General Manager, Giovanni Sabatini, and by Gianfranco Torriero, head of the ABI Research Centre. Also attending the meeting were the ABI Deputy Chairman Mario Sarcinelli, the General Manager of Intesa Sanpaolo Gaetano Miccichè, the Deputy Chairman of Confindustria and head of Confindustria's Small Business Division Vincenzo Boccia, the Professor of Finance at Bocconi University Stefano Caselli and AIFI General Manager Anna Gervasoni.

RoE

Income statement analysis on a sample of 41 banking groups shows a decrease to approximately 4% in average RoE in 2009, compared to 5.3% in 2008.

Non performing

As expected, non performing positions show a net figure of 34 billion euro, compared to 25 billion at the end of 2008. The weight of loans to customer exposures on the total was 1.4%, against the 1% recorded for 2008.

Commissions

Net commissions are 2.4% down to reach an overall total of 23.3 billion euro.

Net profit

Profit for the year dropped by 22.2%, from 10.2 billion euro in 2008 to around 8 billion in 2009.

Total assets

At year-end total assets had reached approximately 2.7 billion euro, recording a 2.9% decrease on 2008. The asset figure for loans to customers is significant (65.1%, up on the 64.2% of 2008), amounting to 1,745 billion euro as at December 2009.

Costs

Administrative costs recorded a decrease of 3.6%.

Capitalisation

Italian banks improved their capitalisation level. The Tier 1 capital ratio (representing the highest quality of regulatory capital) increased from 6.89% in 2008 to 8.20% in 2009. The total capital ratio, based on the entire regulatory capital, reached 11.60%, up on the 10.42% of the previous year.

Palazzo Altieri, Rome, 24 May 2010