

PRESS RELEASE

**Banks: Abi, rating manual on SME scale is on its way**

*Green light for the conference organised by Abi on the themes linked to the Basel Accords, to the after-crisis scenarios and to concrete initiatives for banks and enterprises. The “Knowing the Rating” Manual prepared by Abi and by other Enterprise Associations that are part of the Monitoring Centre on bank-enterprise relations was presented.*

The two days of Abi dedicated to “Basel 3 - Banks and enterprise towards 2012” started today by comparing the themes linked to the proposal for reforms of the requirements on capital and at the centre of the international debate. “The impact of the new standards - reaffirmed today the General Manager of Abi, Giovanni Sabatini - on the stability of the intermediaries as well as on the spin-offs on the economic system in general must be carefully analysed. Banks - added Sabatini - supported the system by continuing to issue loans and will continue to sustain the economy, but the recovery is still fragile and a not sufficiently gradual and too rigorous application of the new regulations could compromise it”.

“We are witnessing a deep crisis that requires everyday communication and dialogue between banks and enterprise and a common commitment with the objective of making the Country recover competitiveness and growth. Also for this reason, in this situation, the opinion on the reliability of the enterprise expressed by the rating cannot only be the result of a quantitative analysis, but it must also be the combined result of the capacity of the enterprise to represent and enhance the quality information that characterises it and the capacity of the bank to use such information in the best way possible through an open and constructive relation that powers mutual confidence”. The General Manager of Abi commented in this way the presentation of the *Knowing the Rating* manual, initiative carried out within the Monitoring Centre on bank-enterprise relations, in which, in addition to Abi, all the main enterprise representations take part.

How does the Basel Accord consider the reliability of the enterprise? How to obtain a better rating? The *Knowing the Rating* manual, published by Bancaria Editrice, contains the answers to the most frequently asked questions on methods and techniques for measuring and assessing credit risk and will be available soon at the branch. The manual answers to some of the following questions.

**What is a rating?**

The rating is an evaluation that expresses the reliability of an enterprise and its capacity to repay a loan in a certain period of time. It is a **concise evaluation of the credit risk profile of the enterprise**.

**What kind of information determines the assignment of a rating?**

The bank uses quantity (accounting documents, information on the relation with the bank, etc.) and quality information that is based on a direct and in-depth dialogue with the enterprise.

**Is rating constant in time?**

The rating assigned to the enterprise is checked and updated at regular intervals (at least once a year).

The *Knowing the Rating* manual presented today by Abi also contains the guidelines prepared by the European commission for entrepreneurs, the so-called “**6 Golden rules for the Enterprise**”:

- 1 - **Ask for information** to learn on the changes occurred with the review of the Basel Accord;
- 2 - **Present yourself in the best way possible** by providing the bank with clear and complete documents;
- 3 - **Check the conditions of the loan** (e.g. repayment capacity, guarantees, duration, granted amount, etc.);
- 4 - **Monitor your rating**;
- 5 - **Check your reliability in time**;
- 6 - **Consider alternatives to short-term loan** (e.g. medium to long term loans, leasing, factoring, etc.).

Rome, Palazzo Altieri, 4 May 2010