

PRESS RELEASE

## **Crisis: ABI, no to bank tax**

Italian banks, which already bear an effective tax burden of 44%, one of the highest in Europe, are against the introduction of new taxes regardless of their purpose. The Italian banking system has stood up better than the others to the blows of market turbulence, as representatives of Italian and international authorities have acknowledged on more than one occasion, without negative effects on the public budget in terms of aid to overcome difficulties.

To reinforce the stability of the financial markets, it is essential to tackle the problem areas that caused the crisis. Intervention in the financial sector must be separate from that needed to finance public deficit, particularly in those countries, such as Italy, where the banks have sustained the economy and haven't absorbed public resources.

Italian banks have a business model linked to financing the real economy, unlike those of other areas, which have focused above all on finance. The sharp rise in doubtful loans, which have reached € 64 billion, corresponding to 3.53% of total loans, with an increase of around 50% compared to last year, derives from this model. The cost of credit risk rose from around 9 billion, the 2007 pre-crisis figure, to almost 21 billion in 2009. It is therefore clear that the Italian banking system is already burdened by higher costs and that a new tax would further weigh down the banks and the economy as a whole.

Paying this new tax would reduce the resources of a system that has guaranteed support to businesses and households, even through schemes such as the "common announcement" and the suspension of the mortgages of households in particularly difficult situations. Therefore, a new tax could have an impact on the funding capacity of the real economy.

The financial crisis has made strengthening the capital of intermediaries more important than ever. Constantly requiring the strengthening of capital also implies acknowledging the importance of attracting new capital, adequately recompensing the same. A new tax would weigh on this capacity.

It is hoped that our government will represent and defend the specific characteristics of Italian banks in all European and international locations, seeking to assert the characteristics that have enabled Italy's banking sector to withstand the impact of the crisis at community level, making a fundamental contribution to the country's stability.

Rome, Palazzo Altieri, 18 June 2010