

PRESS RELEASE

**Banks: ABI, over 3.7 billion euros for companies in Russia**

*Mr. Faissola: "Internationalization and supporting companies are a priority for Italian banks and pivotal to their businesses"*

Over 3.7 billion euros to fund Italian exports and investments in Russia. This is the funding made available by the banking sector to companies that wish to operate in this country, which has grown at a significant pace over the past few years, also thanks to a rapidly expanding banking sector and high rates on return (ROE increased from 17.8% in 2003 to 22.7% in 2007). This figure was presented today by Corrado Faissola, President of ABI, during the economic mission to Russia organized by ABI with Confindustria (confederation of Italian industry), and ICE (foreign trade institute) led by Claudio Scajola, the Italian Minister for Economic Development. It's the largest and most important mission involving Italian banks and companies that has ever been organized in the Russian Federation, due to the large delegation of banks, in which twelve major Italian banking groups, accounting for approximately 75% of the banking sector, participated.

"Internationalization and supporting companies, especially small and medium-sized enterprises, which are the pillars of Italy's economy – said Mr. Faissola – are a pivotal issue around which Italian banks' current and future businesses, commitments and projects revolve; even in the current global environment, the Italian banking sector is proving to be sound and stable. Italian banks continue to support the national economy and to do their 'jobs' properly by supporting households and companies, both in Italy and the strategic markets. In the current international financial scenario – added the President of ABI – both Italy and Russia are facing challenges that need to be addressed with more determination than in past years, so as to continue to advance along the path of development. The first challenge, on which now more than ever governments worldwide agree, is to restore confidence in the markets and financial institutions in order to initiate a new growth cycle in which the two countries will play an increasingly important role".

**Line of credit for companies operating in Russia**

62% of the credit lines made available by Italian banks – over 3.7 billion euros – has already been used for business projects and initiatives in the local market, while the remaining 38% is still available and shall be used to fund new businesses in this area.

Italian banks' commitment to and interest in the numerous collaboration and investment opportunities offered by this huge market are also proven by the amount of existing funding to Russia, which increased from only 2 billion dollars at the end of 2005 to 25 billion stocks in September 2008.

**Italian banks in the area**

Italian entrepreneurs who choose to start up a business and make productive investments in Russia may, apart from using the abovementioned lines of credit, also rely on the Italian banking sector's support. The two leading Italian banking groups, in fact, operate in the Russian Federation through a network of subsidiaries which, by 2009, will be composed of a total of 170 branches located throughout the area.

Specifically, in 2003 Intesa Sanpaolo set up the first wholly-owned Italian bank in Russia, Zao Banca Intesa, to support trade and direct investments, and in 2005 it acquired KMB Bank, the leading bank in the Russian Federation in terms of loans and leasing to small-sized companies.

Unicredit, on the other hand, has been operating in the local market since 2005 with Zao Unicredit Bank, which is currently the largest international bank and the tenth leading bank in terms of assets. The group, moreover, set up a company in Moscow that provides leasing services to small and medium-sized Russian companies to favor imports of capital goods from Italy.

Seven Italian banking groups operate in Russia and have six representative offices (Intesa Sanpaolo, UBI Banca, Banca Monte dei Paschi di Siena, Mediobanca, Unicredit and Banco Popolare) and a mandate office (Banca Carige) in the country, while two Italian intermediaries (BNL, Cariparma and Friludria) operate in the Russian market through their foreign parent companies (BNP Paribas and Crédit Agricole).

Lastly, five Italian banking groups signed collaboration agreements with major Russian banks to mutually assist customers and help them enter their respective financial circuits.

“This is a significant presence that proves the increasing relevance of Russia in international commercial and financial strategies and policies. Nonetheless – concluded Mr. Faissola – there is still room for growth with respect to Italian banks’ activities and presence in the area, also by gradually overcoming, when the macroeconomic environment and the need for stability of the sector will allow us to do so, the last barriers to access, thus enabling foreign banks to operate in the local market”. ABI discussed these and other issues with the Association of Russian Banks, the Regional Banking Association, the Central Bank of the Russian Federation and the major Russian intermediaries, during the institutional meetings that were held after the conclusion of the Forum.

#### **The banking delegation**

Twelve major banking groups, representing approximately 75% of banks in the sector, (Intesa Sanpaolo, Unicredit, Monte dei Paschi, BNL-BNP Paribas, Banca Popolare di Vicenza, Banca Popolare Emilia Romagna, Banca Popolare di Sondrio, Banco Popolare, Mediobanca, UBI Banca, Credito trevigiano-Banca di credito Cooperativo and UBAAE) participated in the economic mission to Russia.

Moscow, 6 April 2009