

## ABI forecasts (October 2012\*): Italian banks

### Italian banks balance sheet

Annual % Var.	2010	2011	2012F*	2013F*
<b>ASSETS</b>				
Loans to MFI	-35.1%	9.7 %	<b>3.6 %</b>	<b>-5.8 %</b>
Loans to other sectors	4.2 %	<b>1.5 %</b>	<b>0.5 %</b>	<b>1.9 %</b>
Net non performing loans	29.1 %	<b>27.6 %</b>	<b>18.4 %</b>	<b>13.8 %</b>
Securities issued by residents	26.4 %	20.9 %	<b>25.1 %</b>	<b>3.0 %</b>
<b>LIABILITIES</b>				
Deposits from MFI	-28.9 %	46.0 %	<b>11.6 %</b>	<b>-1.5 %</b>
Deposits from other sectors	5.7 %	<b>-2.7 %</b>	<b>4.0 %</b>	<b>3.8 %</b>
Debt securities in euro	-1.6 %	13.4 %	<b>-1.2 %</b>	<b>1.5 %</b>
Foreign liabilities	4.0 %	<b>-10.4 %</b>	<b>-6.4 %</b>	<b>1.5 %</b>
Capital and reserves	18.9 %	8.6 %	<b>1.5 %</b>	<b>4.0 %</b>

### Italian banks P&L account

	2010	2011	2012F*	2013F*
<b>PROFIT &amp; LOSS</b>				
Net interest income (var %)	-8.7%	<b>-0.9 %</b>	<b>-1.2 %</b>	<b>2.5 %</b>
Non interest income (var %)	-0.6 %	-3.9 %	<b>1.8 %</b>	<b>3.5 %</b>
Gross operating income (var %)	-5.0 %	<b>-2.4 %</b>	<b>0.2 %</b>	<b>3.0 %</b>
Operating costs (var %)	-2.0 %	<b>1.5 %</b>	<b>-1.7 %</b>	<b>1.7 %</b>
- banking staff costs (var %)	-0.4 %	0.6 %	<b>-0.9 %</b>	<b>-1.2 %</b>
Operating profit (var %)	-10.1 %	-9.6 %	<b>4.1 %</b>	<b>12.2 %</b>
Net income after taxes (mln €)	8,932	<b>-23,142**</b>	<b>4,048</b>	<b>6,582</b>
ROE*** (%)	2.8 %	<b>-11.7 %</b>	<b>1.1 %</b>	<b>1.7 %</b>

(\*) October 2012: ABI forecasts

(\*\*) net of impairment on goodwill = 1,036

(\*\*\*) Return on tier 1 capital

- ❑ The medium-term prospects of the Italian economy are closely related to the evolution of the sovereign debt crisis and to its effects on credit and on households and firms confidence
- ❑ The recession will be quite severe; in spite of this, Italy has what it takes to be a strong and committed member of the EU and to be part of a global solution
- ❑ The Italian banking industry is one of the strengths of our country
- ❑ Its distinctive features, which reflect the adoption of the traditional commercial banking model, have helped support domestic growth while ensuring maximum protection for savers
- ❑ Italian banks can rely on a number of strengths that even in the current difficulties, make them stronger than many major European competitors
- ❑ The health of the banking sector confirms that Italian banks can play a leading role in supporting the country's economic recovery