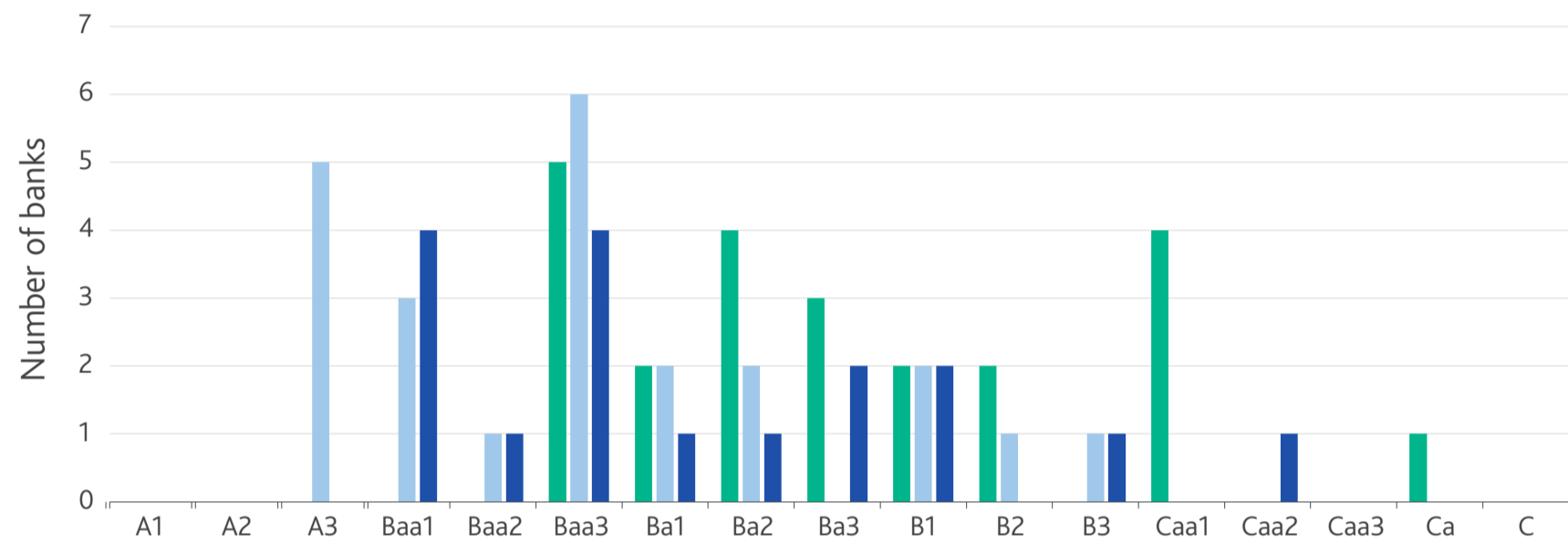


Italian Banking System Overview

Italian banks continue to face a challenging environment. This infographic highlights the system's large stock of bad debt, and negative outlooks.

Distribution of Ratings: Highest Italian Bank Rating is A3



Government of Italy – Key Data



Outlook
Negative



Rating
Baa2



Real GDP growth
2017f: **1.3%**



General
Government Debt/
GDP %: **132%**

Italian Banking System Data



Outlook
Negative



Average Baseline
Credit
Assessment **ba2**



Avg. Deposit
Rating **Baa2**



Average Senior
Unsecured and
Issuer Rating **Baa2**

€3.9 trillion
Total Italian banking
system assets

€2.1 trillion
Top 5 banks combined assets

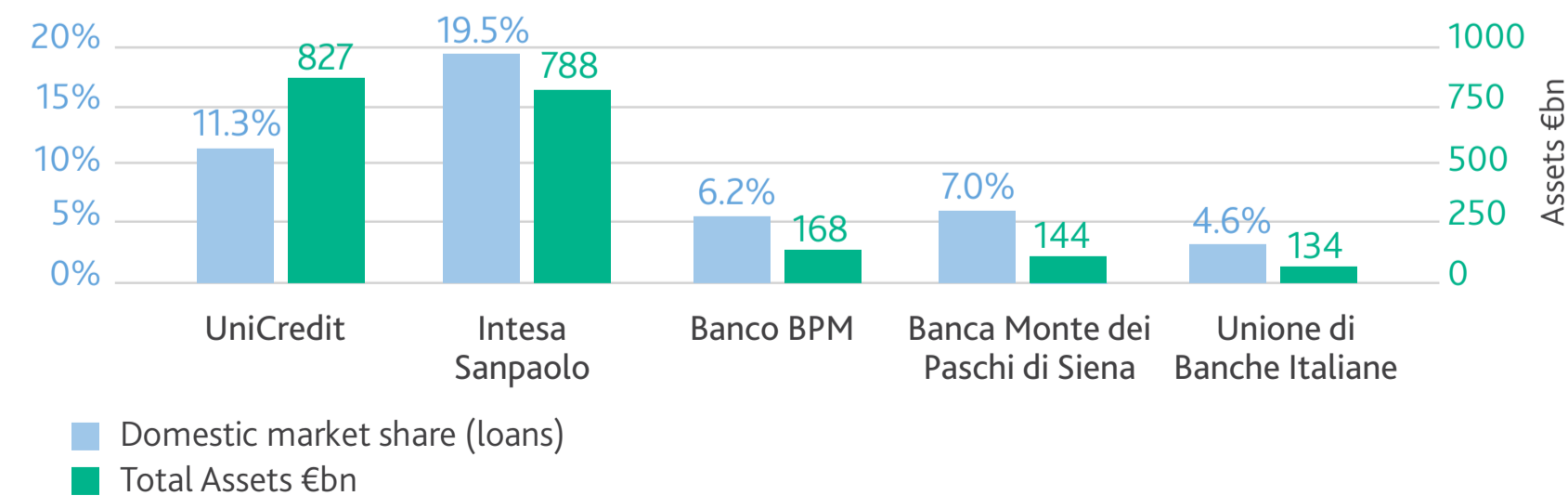
€349 billion
Problem loans

23
Italian banks
rated by Moody's

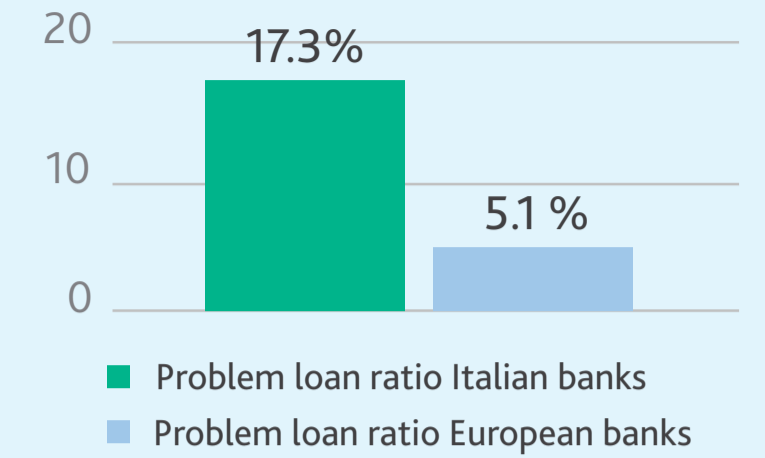
12.8%
Average CET1 ratio

**All numbers approximate due to difference in reporting months*

Top 5 Bank by Assets and Market Share

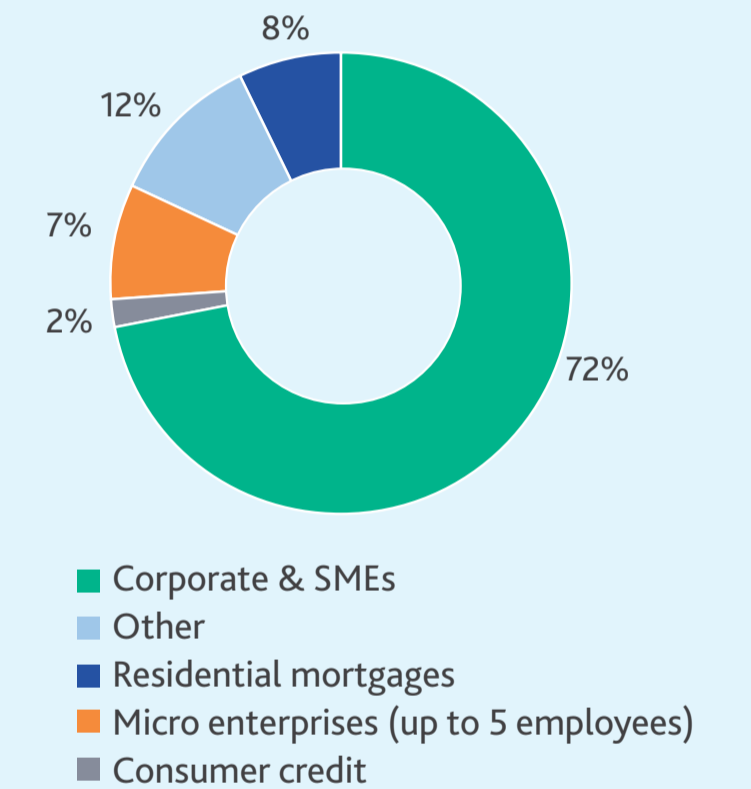


Problem Loans



Note: Problem loans and CET1 ratio refer to December 2016, and they are sourced from Bank of Italy and European Banking Authority. Average CET1 includes €22 billion of equity raised by rated Italian banks after June 2017

Problem Loans Mostly Come from SME and Corporates



Italian Banks Funding

