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Intesa Sanpaolo
Research Department

International Research Network

Davidia Zucchelli
Economist

Lending is gradually recovering, both in the household and corporate sectors

- Banking aggregates are benefitting from the country's stabilised operating environment, with real GDP estimated by the Federal State Statistics Service to have risen by 2.3% in 2018. Loan performance accelerated in October to 14.3% yoy from 13.9% in September, both in the corporate sector (+11.5% yoy) and more significantly in the household (+22.1% yoy) sector.
- Lower lending rates supported lending growth. Loans to households also benefitted from increasing real disposable household income (+2.2% yoy in the first eight months of 2018, with real wages up 8.4%), which boosted consumer sentiment. The growth was predominantly driven by unsecured loans and mortgage loans. Household debt is currently at an all-time high.
- Loans to corporates returned to a positive level in December 2017 (+2.8% yoy), gradually accelerating during 2018 to reach +11.5% yoy as of October. However, demand for bank loans from corporates remained weak because they benefitted from high export prices and a strong financial profile. Large corporates also turned to the bond market for long-term funding. Nevertheless, corporate lending accounted for the highest share of total loans (around 70% of total loans as of October).
- Since the beginning of 2018, lending to SMEs has revitalised, outperforming corporate loans. In the first six months of last year, loans to SMEs grew by 10.8%. This was largely due to massive state support measures undertaken in 2017-2018 and further measures announced for the next years. Nevertheless, despite some emerging positive dynamics in SME lending, the overall volume of outstanding SME loans remains below pre-crisis levels.
- The strong loan performance supported an improvement in the NPL ratio (at 10.5% as of October, down from 10.7% the previous month), and a further fall is expected due to a new "bad bank". A transfer of the problem loans from three large reorganised banks bailed out in 2017 to a specially designed "bad bank" may lead to a drop in the aggregate reported problem loan ratio.
- Deposits increased significantly (+12.6% yoy in October), having been accelerating since March 2017 (+3.4% yoy). While household deposits increased from 4.2% yoy in December 2016 to 9.3% yoy as of October 2018, corporate deposits accelerated from -14% yoy as of December 2016 to +17% yoy as of last October.
- In Russia, bank accounts are widely used by adults. At 76% of adults in 2017, the country has a slightly higher percentage than the average of countries defined by the World Bank as upper middle income (UMI) countries (73%). As in other UMI and also high income (HI) countries, the ownership of debit cards to make payments is higher (57%) than the ownership of credit cards (20%), which show further room for growth. Digital payments are widespread in Russia (71%), more so than in the other UMI countries (62%) and much more so than in Europe and Central Asia (E&CA) countries, excluding HI, at 60%.
- Capital adequacy levels are gradually improving, with aggregate CAR of 12.21% as of June 2018, increasing from 12.07% as of December 2017 thanks to sound profitability and modest loan growth. The countercyclical capital buffer is set at zero.
- The banking sector's aggregate profitability is expected to remain stable due to reduced provisions and a lower net interest margin. ROE was 6.47% as of June 2018, while ROA was 0.81%.

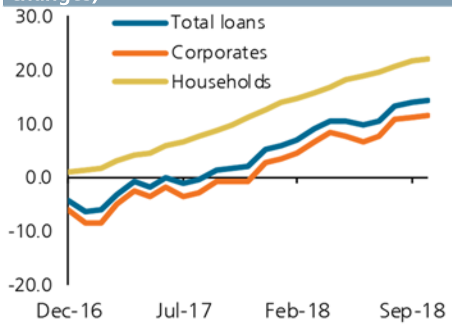
See the final page for important information

The tightening doesn't stop mortgage loans' growth

Banking aggregates are benefitting from the country's stabilised operating environment, with real GDP estimated by the Federal State Statistics Service to have risen by 2.3% in 2018. Loan performance accelerated in October to 14.3% yoy from 13.9% in September, both in the corporate sector (+11.5% yoy) and more significantly in the household (+22.1% yoy) sector[1].

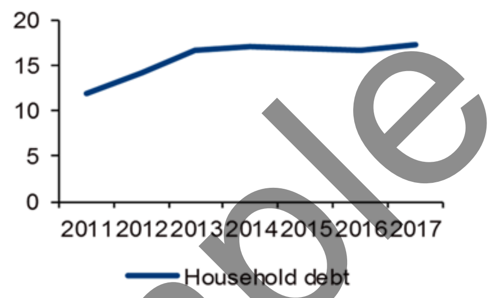
Lower lending rates supported lending growth. Loans to households also benefitted from increasing real disposable household income (+2.2% yoy in the first eight months of 2018, with real wages up 8.4%), which boosted consumer sentiment. The growth was predominantly driven by unsecured loans and mortgage loans.

Total loans (by institutional sector, yoy % changes)



Source: Intesa Sanpaolo elaborations on CBR data

Household debt, all instruments (% of GDP)



Source: IMF

The increase in household loans is expected to continue despite the tightening applied by the Central Bank of Russia (CBR). To address the risks linked to accelerated consumer lending growth in 2018, the CBR tightened risk-weighting requirements for unsecured consumer loans with an annual percentage rate in the range of 10-30%. This requirement applied to consumer loans issued after September 1, 2018. Furthermore, the risk ratio for mortgage loans with a downpayment of 10-20% issued from January 1, 2019 has been increased from 150% to 200%. The buffer is effective as long as the loan-to-value ratio exceeds 80%.

Household indebtedness (total household stock of bank loans) is currently at maximum levels. On September 1, 2018 the total amount of accumulated household loans exceeded 14 trillion rubles[2]. This is the highest amount registered in modern Russian history. If measured as a share of 12-month household income, the total stock of debt reached 24.8%, which exceeded the previous peak of late 2014.

The composition of household loans has also changed over the last 10 years. Household debt denominated in foreign currency has almost disappeared in Russia. Among households, loans denominated in foreign currency accounted for less than 1% of total loans as of October. In 2014, the share of mortgages started to increase and is currently at 42.5% of total household indebtedness.

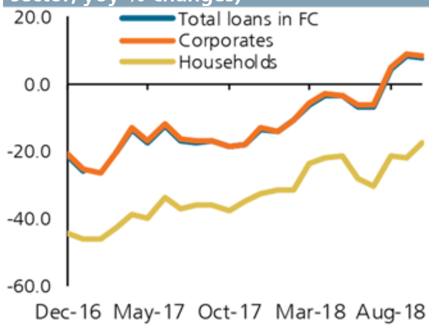
Loans to corporates returned to a positive level in December 2017 (+2.8% yoy), gradually accelerating during 2018 to reach +11.5% yoy as of October.

[1] This paper is based on information available as at 8 February 2019.
[2] See World Bank Group, *Preserving Stability; doubling growth; halving poverty – How?,* Russia Economic Report, November 2018.

Demand for bank loans from corporates remained weak. Large corporates also turned to the bond market for long-term funding. Nevertheless, corporate lending accounted for the highest share of total loans (around 70% of total loans as of October).

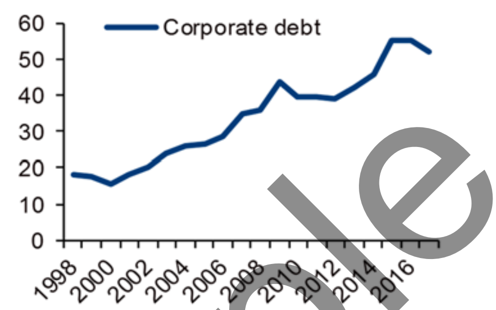
Foreign currency loans are present in the corporate sector only (with a share of almost 30%), mostly in USD. As of October, loans denominated in foreign currency increased by 8.1% yoy in the corporate sector, while loans in rubles increased by 12.9% yoy. The main reason for the foreign currently increase was the difference between interest rates for USD and ruble loans.

Loans in foreign currency (by institutional sector, yoy % changes)



Source: Intesa Sanpaolo elaborations on CB data

Non-financial corporate debt, loans and debt securities (% of GDP)



Source: IMF

Since the beginning of 2018, lending to SMEs has revitalised, outperforming corporate loans[3]. In the first six months of the year, loans to SMEs grew by 10.8%. This is largely due to massive state support initiatives for 2017-2020. Nevertheless, despite some emerging positive dynamics in SME lending, the overall volume of outstanding SME loans remains below pre-crisis levels. SME development is among the top national priorities outlined by the Russian Government and the central bank.

The Russian Government has recently signalled even stronger support for the SME sector, with an emphasis on strengthening the legal and institutional frameworks and developing financial and non-financial support measures for SMEs. The mid-term National Project on SME and Individual Entrepreneurship Support (also known as the National SME Project) aims to substantially expand SMEs' access to finance by: (1) simplifying access to subsidised finance and increasing its volume; (2) facilitating access to capital markets for SMEs; (3) improving access to leasing instruments; and (4) facilitating access to micro finance and crowdfunding.

These measures, coupled with the recent economic recovery, have helped to reverse the declining trend in SME lending, but SME access to finance still remains constrained by both demand and supply factors such as high collateral requirements by banks, as is usual in emerging and mature countries[4].

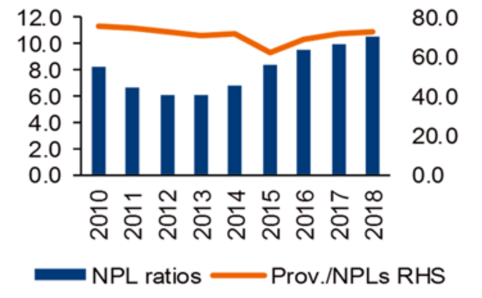
[3] As of October 2018, there were 5.95 million SMEs in Russia, employing 15.98 million people. 95% of the SMEs were micro enterprises, accounting for 47% of SME employment. SMEs account for 22% of Russia's GDP and 25% of total employment. See World Bank Group, *Preserving Stability; doubling growth; halving poverty – How?,* Russia Economic Report, November 2018.

[4] For more details, see World Bank Group, *Preserving Stability; doubling growth; halving poverty – How?,* Russia Economic Report, November 2018, page 35.

Lending forecasts have been prudently confirmed by IRN[5] despite signs of a recent acceleration, both in the corporate and household sectors, and NPL stabilisation. Loans to the private sector are expected to decelerate to +7.1% in 2019 and +6.4% in 2020.

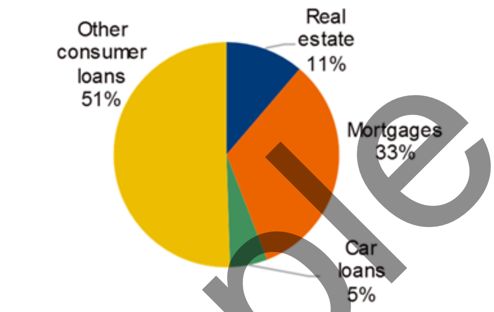
The strong loan performance supported an improvement in the NPL ratio (at 10.5% as of October from 10.7% the previous month)[6], but a further fall is expected due to a new "bad bank". The transfer of the problem loans of three large reorganised banks – Otkritie, Promsvyazbank and B&N Bank – bailed out in 2017 to a specially designed "bad bank"[7] may lead to a drop in the aggregate reported problem loan ratio.

NPL ratios and provisions (%)



Source: Intesa Sanpaolo elaborations on CB data

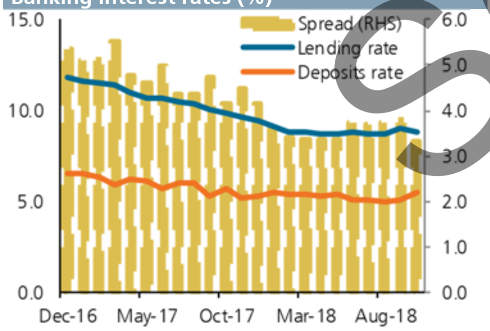
Loans to households (by type of loans, % composition, November 2018)



Source: Intesa Sanpaolo elaborations on CB data

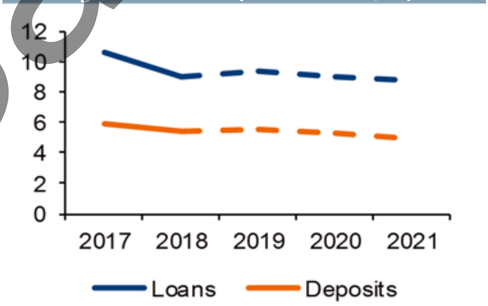
Asset quality could be also affected by high single-borrower credit concentration and exposures to related parties[8]. Very high borrower concentrations, which are closely associated with related-party lending, have been a major contributor to Russian bank failures over the years. Banks' average ratio of top 20 borrowers to shareholders' equity was around 200% in 2017.

Banking interest rates (%)



Note: Lending rate to corporates, deposit rate to households.
Source: Intesa Sanpaolo elaborations on CB data

Banking interest rates (IRN forecasts, %)



Source: Intesa Sanpaolo elaborations on CB data

[5] See IRN forecast note, *GDP growth forecasts slowing gradually vs. potential, since the 2017 peak, in CEE/SEE area. Inflation has eased recently. Monetary tightening (already in place in CZ and RO) not likely until late 2019. Credit cycle on a recovery path,* December 2018.

[6] The CBR recently established a special unit, the Risk Analysis Service, responsible for independent asset quality evaluations to ensure their alignment with best international practices. Nevertheless, the IMF highlighted that additional efforts are needed to strengthen bank supervision and regulation. See IMF, Article IV, Russian Federation, September 2018.

[7] The bad bank was set up in mid-2018 based on a previously failed Bank Trust, which is now managed by the CBR's Banking Sector Consolidation Fund (BSCF).

[8] The exposure to a single group of borrowers is limited to 25% of regulatory total capital (or 20% for small banks operating under basic licence).

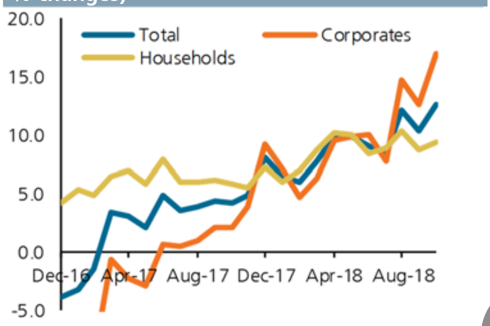
Banking interest rates have been slightly increasing with a positive effect on net interest margins during 2018, particularly on loans to households. However, at the same time higher deposit rates put negative pressure on the banks' net interest margin. The interest rate on new loans to businesses was at 8.8% in October (from 9.4% in December 2017), while the interest rate on deposits from households increased to 5.5% in October from 5.1% in September. The CBR raised the key rate from 7.5% to 7.75% in mid-December.

In 2019, banking interest rates are expected to follow an upward adjustment, but in the following few years, they are forecast to decline slightly in line with money market rates.

Russian banks remain largely funded by customer deposits

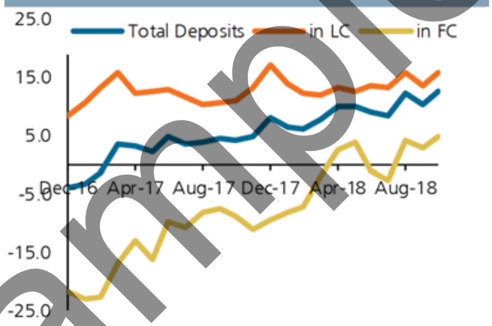
Deposits have increased significantly (+12.6% yoy in October) since March 2017 (+3.4% yoy). While household deposits increased from 4.2% yoy in December 2016 to 9.3% yoy as of October 2018, corporate deposits accelerated from -14% yoy as of December 2016 to +17% yoy as of last October.

Deposits (in rubles, by institutional sector, yoy % changes)



Source: Intesa Sanpaolo elaborations on CB data

Deposits (by currency, yoy % changes)

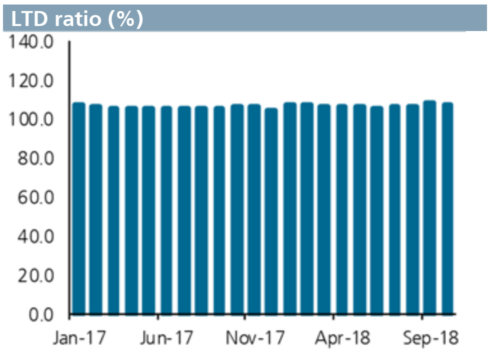


Source: Intesa Sanpaolo elaborations on CB data

Deposits denominated in foreign currency, mainly USD, which accounted for 27% of total deposits as of October, were held both by corporates (57% of total deposits denominated in foreign currency) and households (the remaining 43%). Deposits in foreign currency showed an accelerating dynamic in 2018, from -9.5% yoy in December 2017 to +4.8% yoy as of October.

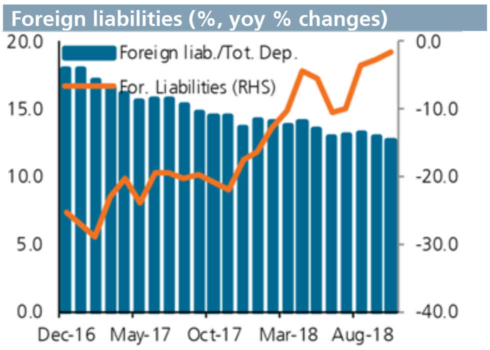
The increase in loans above deposits maintained a loan-to-deposit ratio (LTD) of more than 100%, highlighting some modest potential liquidity tensions.

LTD ratio (%)



Source: Intesa Sanpaolo elaborations on CB data

Foreign liabilities (%, yoy % changes)



Source: Intesa Sanpaolo elaborations on CB data

As in many Eastern European countries, foreign liability changes remained negative in 2018, although at a lower intensity (from -17.5% yoy as of December 2017 to -1.6% yoy as of

October). Consequently, the share of foreign liabilities to total deposits decreased from 13.6% to 12.6% in the same period.

Bank accounts widely taken up

As far as savings and payment systems are concerned, the analysis of the diffusion of bank accounts[9] and of their utilisation (the level of financial inclusion[10]) is a useful integration of Central Bank data on banking aggregates. At the same time, this can give some guidance on potential opportunities for growth.

In Russia, bank accounts are widely used by adults. At 76% of adults in 2017, the country has a slightly higher percentage than the average of countries defined by the World Bank as UMI countries (73%). The percentage is higher than for E&CA, excluding high income, at 65%, but still lower than in EA countries (HI) (95% of adults). Accounts appear to be widespread, with women and men having the same percentage (76%). The diffusion among young people was slightly lower (67% in 2017).

As in the other UMI and HI countries, the ownership of debit cards to make payments is higher (57%) than the ownership of credit cards (20%), which show further room for growth, and is in line with UMI countries (59% and 19%, respectively). However, the World Bank data highlights a lower usage of debit cards (42% of adults used a debit card in 2017 vs. 34% of adults in UMI countries).

Modest business opportunities could appear with regard to borrowing, which partly still comes from family or friends (23%, as in UMI, also in line with EA at 24%), especially when it comes to emergencies (46% vs. 24% in UMI and 15% in HI). Only 15% of adults declared that they have a housing loan (11% in UMI).

As far as saving is concerned, the share of adults who saved any money was lower than in UMI countries (36% vs. 46% in 2017), and the share of people who saved at a financial institution was also lower (14% vs. 27%).

Remittances sent and received in Russia are higher than in UMI countries (37% vs. 27%), but not so much via a financial institution (20% vs. 15% in UMI countries) and/or a money transfer operator.

Digital payments are widespread in Russia (71%), more so than in other UMI countries (62%) and much more so than in E&CA countries, excluding HI, at 60%, but these are still lower than in HI countries (91%).

In February 2018, the CBR published a detailed plan for fintech development in 2018-20, including the establishment of a regulatory framework for digital technologies and related financial infrastructure. The central bank aims to implement most of the proposed initiatives by mid-2019. The plans are aimed at fostering competition in Russia's financial markets, while increasing the availability, range and quality of financial products.

[9] See World Bank, *The little data book on financial inclusion*, April 2018.

[10] Interest in financial inclusion - which refers to the possibility of accessing financial services, first of all by holding a bank current account with adequate fees and charges - is spreading rapidly around the world due to its effects on the degree of economic and social development. See IRN Banks and markets note, Davidia Zucchelli, *Financial inclusion strongly increased but opportunities for growth remain in many emerging countries*, July 2018.

Bank accounts (%, 2017, Russia and countries with ISP subsidiaries)	ALB	BIH	HR	ROM	RU	SRB	UMI	CZ	HUN	POL	SLK	SLE	HI	E&CA (ex HI)	Euro area	World
Account	40	59	86	58	76	71	73	81	75	87	84	98	94	65	95	69
Account, female	38	55	83	54	76	70	69	79	72	88	83	97	93	62	94	65
Account, young adults (ages 15-24)	32	38	47	51	67	33	66	41	60	63	55	100	82	50	79	56
Withdrawal * (% with a fia)	70	82	88	81	82	93	77	97	93	94	96	70	92	82	92	72
Saved fr business	7	7	10	8	6	11	14	17	7	8	18	21	13	8	9	14
Saved for old age	9	9	28	19	14	18	19	41	21	20	42	41	44	15	38	21
Saved at a fin.inst.	9	10	36	14	14	12	27	45	24	33	50	31	55	14	49	27
Saved any money *	26	21	47	34	36	30	46	67	37	52	65	67	71	37	67	48
Outst. housing loan	8	15	10	16	15	9	11	20	14	15	27	17	27	12	25	11
Borrowed for business	8	15	10	16	15	9	11	20	14	15	27	17	27	12	25	11
Borrowed from: -a fin.inst.	9	9	13	15	14	12	10	15	7	23	20	16	19	13	17	11
-used a cr. card	13	15	38	20	23	20	22	30	16	31	30	40	55	24	46	23
-fam. or friends	24	7	17	21	23	24	26	13	11	25	13	12	13	24	12	26
Borrowed any money*	43	24	51	40	41	41	44	39	25	50	40	48	64	44	55	47
Coming up with em.funds: - possible	53	68	51	65	56	68	53	60	53	34	66	73	73	61	76	54
- not possible	47	24	45	30	37	23	43	34	43	53	26	27	25	32	22	42
Main source of em.funds: - savings ***	25	13	26	22	18	17	31	61	44	63	52	50	59	18	52	33
- family or friends ***	51	57	43	58	46	59	24	25	38	14	35	18	15	51	21	28
- from working ***	18	19	19	11	25	14	38	6	10	10	5	22	15	22	15	30
- loan from a bank/private lender ***	4	7	6	5	6	6	4	4	4	7	8	7	7	5	9	4
Sent/received domestic remittances *	26	17	33	24	37	22	27	27	13	26	28	NA	NA	29	NA	NA
- through a fin.inst.	5	5	21	12	20	8	15	12	5	17	15	NA	NA	14	NA	NA
Paid utility bills *	77	66	59	79	76	69	65	75	75	68	69	83	77	70.	81	57
- using a fia	5	12	41	8	28	26	22	56	26	50	49	58	60	23	65	22
Received wages *:	25	27	42	42	51	37	35	54	49	57	56	54	57	43	54	33
-into a fia	16	24	40	27	37	31	22	50	42	52	53	53	49	31	49	20
- through a mobile phone	NA	1	4	NA	3	2	7	2	NA	2	2	NA	3	2	2	4
- in cash only	8	3	1	13	12	6	10	3	7	2	2	NA	4	11	2	10
Received gvmt transfers *	8	6	10	11	23	8	16	21	15	19	23	19	23	19	17	14
Received a public sector pension: into an acc **	19	67	96	28	58	72	NA	71	31	NA	64	85	86	60	82	NA
Debit card ownership	27	40	68	49	57	60	59	75	69	79	76	94	83	51	87	48
Debit card used to make a purchase *	5	25	53	24	42	38	34	64	54	73	66	80	70	34	78	29
Used a debit or credit card to make a purchase*	8	26	60	26	46	39	38	66	55	74	68	82	80	39	82	33
Used a mobile phone or internet to access a fia*	3	6	33	12	33	12	30	53	29	52	43	44	52	23	45	23
Cr. card ownership	8	10	35	12	20	18	19	25	13	17	22	42	55	21	45	18
Cr. card used *	NA	NA	33	9	15	14	16	21	11	13	20	33	49	18	38	16
Deposit * (% with a fia.)	65	85	87	83	79	88	72	98	91	95	95	90	91	81	87	69
Received gvmt payments: -into a fia **	37	72	94	46	69	78	74	78	50	85	76	90	80	68	82	70
-through a mob.phone**	1	2	8	NA	3	2	8	2	1	3	2	1	4	4	3	6
-in cash only **	46	21	3	47	25	17	15	17	29	7	20	1	3	24	3	15
Made/received digital payments *	29	50	83	47	71	66	62	80	71	82	82	96	91	60	92	52
Mobile money account	2	NA	NA	3	NA	NA	3	NA	NA	NA	NA	NA	NA	3	NA	4

Note: (*) the use is referred to the previous year; (**) % pension or payment recipients. (***) % able to raise funds. Fia=financial institution account. SLA=Slovakia, SLE=Slovenia, HR=Croatia, CZ=Czech Republic, RU=Russia, HU=Hungary, AL=Albania, BH=Bosnia and Herzegovina, ROM=Romania, SRB=Serbia. NA= not available. The distribution of income used by the World Bank is as follows (referred to 2013: Low income countries: gross national income (GNI) per capita USD 1,045 or less in 2013; Middle-income countries: GNI more than USD 1,045 but less than USD 12,746; Lower-middle income and upper-middle income countries are separated by a GNI per capita of USD 4,125; High-income countries: GNI per capita of USD 12,746 or more). Source: World Bank 2018

Capitalisation ratios are moderately improving

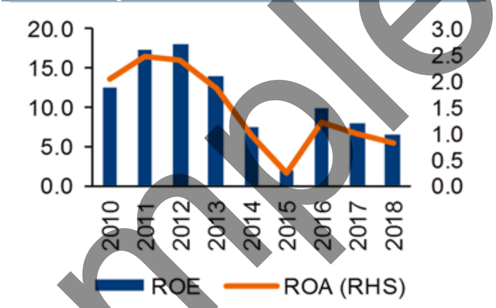
Capital adequacy levels are sound, with aggregate CAR of 12.21% as of June 2018, increasing from 12.07% as of December 2017 (against a regulatory minimum of 8%), thanks to sound profitability and moderate total loan growth. Nevertheless, capitalisation appears to be more modest than in the other markets.

In order to strengthen the system's capitalisation, the CBR introduced additional capital requirements that are consistent with Basel III standards. The new obligations consist of: (1) a capital conservation buffer; (2) a countercyclical buffer for all banks; and (3) an additional surcharge for 11 systemically important banks (SIBs). Their commencement is phased in over three years. The capital conservation buffer was set at 0.625% in January 1, 2016 and was increased to 2.5% on January 1, 2019, while the SIB buffer was raised from an initial 0.15% in January 1, 2016 to 1.0% on January 1, 2019. The countercyclical capital buffer[11] is currently set at zero[12]. All SIBs meet current Basel III requirements.

Capitalisation (%)

Source: Intesa Sanpaolo elaborations on CB data

Profitability (%)



Note: as at June 2018. Source: Intesa Sanpaolo elaborations on CB data

The failure of several banks in the second half of 2017 weakened the banking sector's performance. The CBR rescued several private banks using the new resolution framework, which provides equity capital injections via the Banking Sector Consolidation Fund (BSCF). As a result of the takeovers, the CBR has become the owner of several former private banks. Financial stability has been maintained but at a significant cost to the authorities (estimated at more than 2% of GDP), including through the use of the CBR's backstop funding for deposit insurance payouts and of CBR funds for liquidity and capital injections into banks undergoing open bank assistance[13].

A distressed asset fund has been established using a subsidiary of one of the large rescued banks. The fund will become the "bad bank" and will handle the bad assets of the large failed private banks, which are estimated at 2.1 trillion rubles (around USD 34 billion or 2.1% of GDP). The "bad bank" will be managed by the State.

[11] For a comment on countercyclical capital buffers - aimed at regulating the credit activity of banks and determined by the CBR depending on the credit cycle - see Davidia Zucchelli, IRN Banking and Market Note, *Lending recovered in many* CEESEE*/CIS countries. Household loans were dynamic, while corporate lending remained weak*, November 2018.

[12] The CBR considers changes to the countercyclical capital buffer on a quarterly basis. In case the CBR decides to set it at above zero percent of risk-weighted assets, the appropriate requirements will become effective no sooner than six months and no later than 12 months from the decision announcement, allowing banks to plan capital management in a timely fashion, and also their policy of dividends.

[13] See IMF, *Russian Federation*, Article IV, September 2018.

The CBR has continued to clean up the banking system by closing 77 credit institutions in 2018 (62 in 2017 and 110 in 2016). The total number of credit institutions was 484 at the end of 2018, down from 923 at end-2013.

The banking sector's aggregate profitability is expected to remain stable due to reduced provisions and a lower net interest margin[14]. ROE was 6.47% as of June 2018, while ROA was 0.81%. Profitability could be supported by digital transformation. Sberbank – which is the country's largest bank in terms of assets with a market share of 30% as of October 2018 – announced its "Strategy 2020", which hinges to a large extent on technology adoption with the goal of building an "ecosystem" of digital services. Digitalisation is expected to enable the bank to grow higher-margin loans, particularly to retail customers and SMEs.

[14] State-owned banks (SOBs) are less profitable and less efficient than their private sector counterparts, while they enjoy more market power (the three largest ones account for 54% of the system's assets in 2017). State-owned banks have healthier balance sheets than privately owned banks, but they are less profitable (except for Sberbank). See IMF, *Russian Federation*, Article IV, September 2018.

The banking system – Main indicators

Assets	2010	2011	2012	2013	2014	2015	2016	2017	10/2018
TA (bn loc.curr.)	33,805	41,628	49,510	57,423	77,653	83,000	80,063	85,192	90,577
TA (% yoy chg)		23.1	18.9	16.0	35.2	6.9	-3.5	6.4	9.5
TA/GDP (%)	73.0	69.7	74.0	80.9	98.0	99.7	93.2	92.5	n.a.
Total loans*/GDP (%)	40.2	40.1	42.8	47.4	53.2	54.8	50.9	49.9	n.a.
Total deposits*/GDP (%)	34.2	33.9	35.7	39.1	44.9	50.7	47.3	47.7	n.a.
Loans to the private sector									
Total loans (bn loc. curr.)	18,615	23,952	28,654	33,635	42,172	45,644	43,716	45,994	51,671
Total loans (% yoy chg)	13.1	28.7	19.6	17.4	25.4	8.2	-4.2	5.2	14.3
Total loans/total assets (%)	55.1	57.5	57.9	58.6	54.3	55.0	54.6	54.0	57.0
NPLs/total loans (%)	8.23	6.59	6.03	6.0	6.7	8.3	9.4	10.0	10.5
Provisions/NPLs (%)	75.67	74.09	72.17	71.05	71.71	62.32	68.48	71.22	72.22**
Tot. loans in FC (bn loc. curr.)	4,116	4,846	4,727	5,723	10,293	13,995	11,036	9,547	10,459
Tot. loans in FC (% yoy chg)	5.6	17.7	-2.5	21.1	79.9	36.0	-21.1	-13.5	7.8
Tot. loans in FC/total loans to priv. sector (%)	22.1	20.2	16.5	17.0	24.4	30.7	25.2	20.8	20.2
Tot. loans to corporates (bn loc. curr.)	14,530	18,401	20,917	23,678	30,842	34,960	32,912	33,820	37,256
Tot. loans to corporates (% yoy chg)	12.8	26.6	13.7	13.2	30.3	13.4	-5.9	2.8	11.5
Tot. loans to corp./total loans to priv. sec. (%)	78.1	76.8	73.0	70.4	73.1	76.6	75.3	73.5	72.1
Tot. loans to corporates in FC (% yoy chg)	7.5	20.4	-0.9	22.4	82.1	37.2	-20.7	-13.2	8.1
Tot. loans to corp. in FC/tot loans to corp. (%)	25.9	24.6	21.4	23.2	32.4	39.2	33.0	27.9	27.8
Tot. loans to (m loc. curr.)	4,085	5,551	7,737	9,957	11,330	10,684	10,804	12,174	14,416
Tot. loans to households (% yoy chg)	14.3	35.9	39.4	28.7	13.8	-5.7	1.1	12.7	22.1
Tot. loans to househ./tot.loans to priv. sec. (%)	21.9	23.2	27.0	29.6	26.9	23.4	24.7	26.5	27.9
Tot. loans to households in FC (% yoy chg)	-11.0	-10.0	-24.5	-3.0	26.8	-4.1	-44.4	-32.5	-17.5
Tot. loans to househ.in FC/tot. loans to househ.(%)	8.8	5.8	3.2	2.4	2.7	2.7	1.5	0.9	0.7
Deposits from the private sector and liquidity									
Tot. deposits (bn loc. curr.)	15,854	20,239	23,871	27,795	35,561	42,237	40,585	43,888	48,024
Tot. deposits (% yoy chg)	22.4	27.7	17.9	16.4	27.9	18.8	-3.9	8.1	12.6
Tot. deposits/GDP (%)	34.2	33.9	35.7	39.1	44.9	50.7	47.3	47.7	n.a.
Tot. deposits/total assets (%)	46.9	48.6	48.2	48.4	45.8	50.9	50.7	51.5	53.0
Tot. deposits in FC (bn loc. curr.)	4,399	5,048	6,017	7,423	13,382	17,317	13,579	12,292	13,134
Tot. deposits in FC (% yoy chg)	3.6	14.9	19.2	23.4	80.3	29.4	-21.6	-9.5	4.8
Tot. dep. from priv.sec.in FC/tot dep. from priv. sec.(%)	27.7	24.9	25.2	26.7	37.6	41.0	33.5	28.0	27.3
Tot. corporates deposits (bn loc. curr.)	6,036	8,367	9,619	10,838	17,008	19,018	16,385	17,900	20,949
Tot. corporates deposits (% yoy chg)	10.4	38.6	15.0	12.7	56.9	11.8	-13.8	9.2	17.0
Tot. corp. dep./tot. deposits from priv. sec.(%)	38.1	41.3	40.3	39.0	47.8	45.0	40.4	40.8	43.6
Tot. corporates deposits in FC (% yoy chg)	10.0	15.4	22.6	26.5	91.1	23.0	-25.2	-11.6	4.2
Tot. corp. deposits in FC/tot. corp. dep. (%)	41.3	34.4	36.7	41.2	50.2	55.2	47.9	38.8	35.7
Tot. households deposits (bn loc. curr.)	9,818	11,871	14,251	16,957	18,553	23,219	24,200	25,987	27,074
Tot. households deposits (% yoy chg)	31.2	20.9	20.0	19.0	9.4	25.2	4.2	7.4	9.3
Tot. househ. dep./tot. dep. from priv. sec.(%)	61.9	58.7	59.7	61.0	52.2	55.0	59.6	59.2	56.4
Tot. households deposits in FC (% yoy chg)	-3.8	14.2	14.7	18.8	63.9	40.7	-16.1	-6.6	5.7
Tot. househ. dep.in FC/tot. househ.dep.(%)	19.3	18.3	17.5	17.4	26.1	29.4	23.7	20.6	20.9
Tot. foreign liabilities (bn loc. curr.)	4,466	5,189	6,0510	7,000	9,689	9,723	7,255	5,987	6,066
Tot. foreign liabilities (% yoy chg)	13.6	16.2	16.6	15.7	38.4	0.3	-25.4	-17.5	-1.6
Tot. foreign liabilities/TA (%)	13.2	12.5	12.2	12.2	12.5	11.7	9.1	7.0	6.7
Tot. foreign liab./ tot. dep. from priv. sec. (%)	28.2	25.6	25.3	25.2	27.2	23.0	17.9	13.6	12.6
LTD ratio (private sector, %)	117.4	118.3	120.0	121.0	118.6	108.1	107.7	104.8	107.6
Tot. loans in FC/tot. dep. from priv. sec. in FC (%)	93.7	96.0	78.5	77.1	76.9	80.8	81.3	77.7	79.6
Profitability and capitalisation							0.0	0.0	0.0
Lending rate to corporates (%)	9.1	9.3	9.4	9.4	18.3	13.8	11.8	9.4	8.8
Deposits rate for households (%)	4.9	5.7	6.1	5.1	12.3	8.4	6.5	5.3	5.5
ROE (%)	12.49	17.32	17.89	13.98	7.53	1.96	9.84	7.94	6.47**
ROA (%)	2.04	2.47	2.39	1.87	0.95	0.23	1.20	1.01	0.81**
Capital/RWA (%)	18.09	14.66	13.69	13.46	12.49	12.70	13.07	12.07	12.21**
Capital/TA (%)	12.90	11.83	11.78	11.49	8.54	8.92	10.36	10.51	10.25**

Note: *Loans to and deposits from the private sector; **as of June 2018. NA=not available; FC= foreign currency. Source: ISP elaborations of IRN database, FMI

Intesa Sanpaolo Research Department – Head of Department Gregorio De Felice		
Tel 02 8021 + (3) Tel 02 879 + (6)		
International Research Network - Head Gianluca Salsecci	35608	gianluca.salsecci@intesasanpaolo.com
Macro Economist – Latin America, CSI and MENA Giancarlo Frigoli	32287	giancarlo.frigoli@intesasanpaolo.com
Macro Economist – Emerging Asia Silvia Guizzo	62109	silvia.guizzo@intesasanpaolo.com
Macro Economist – EEC and EEA Antonio Pesce	62137	antonio.pesce@intesasanpaolo.com
Macro Economist – Trade and industry Wilma Vergi	62039	wilma.vergi@intesasanpaolo.com
Macro Economist – Banks and markets Davidia Zucchelli	32290	davidia.zucchelli@intesasanpaolo.com

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