

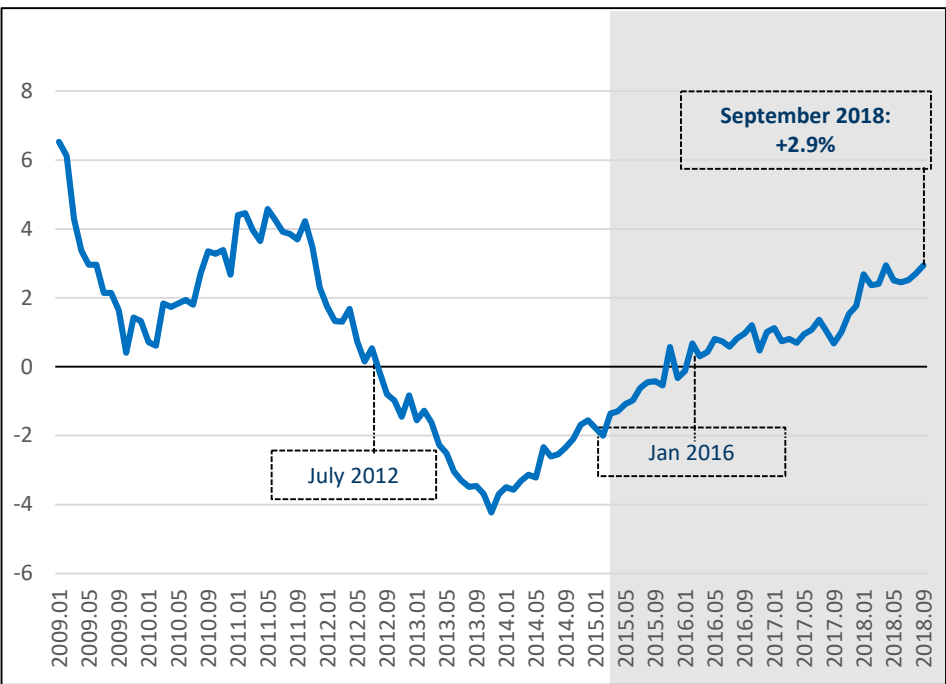


OVERVIEW OF RENOVATION FINANCING IN ITALY

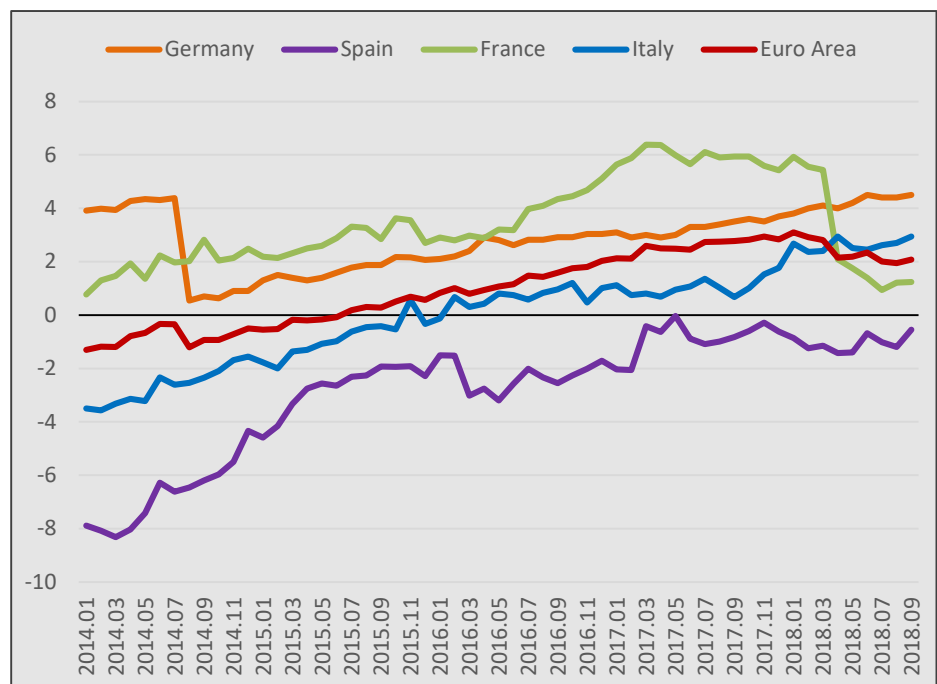
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Credit Department
NOVEMBER 22ND, 2018

Lending to the private sector has been growing again since the begin of 2016, above the EU average

Loans to private sector variation in Italy
(YoY % var*; monthly data)



Loans to private sector variation in Europe
(YoY % var*; monthly data)

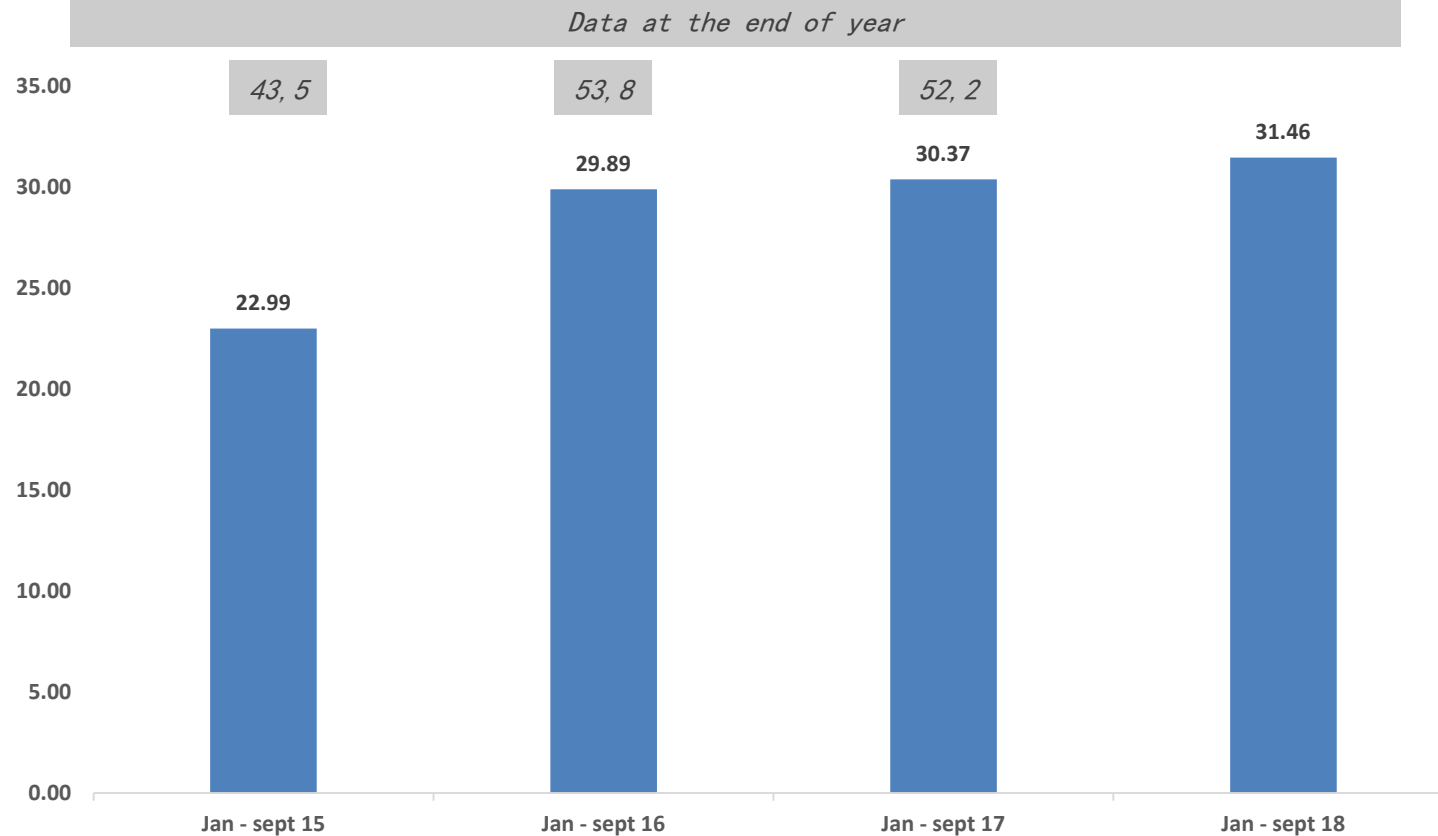


(*) Growth rates calculated according to the common Eurosystem methodology, by adjusting the changes in the stocks to take account of loans not reported on banks' balance sheets because securitized or otherwise transferred, exchange rate fluctuations, value adjustments and reclassifications.

Source: ABI on ECB data

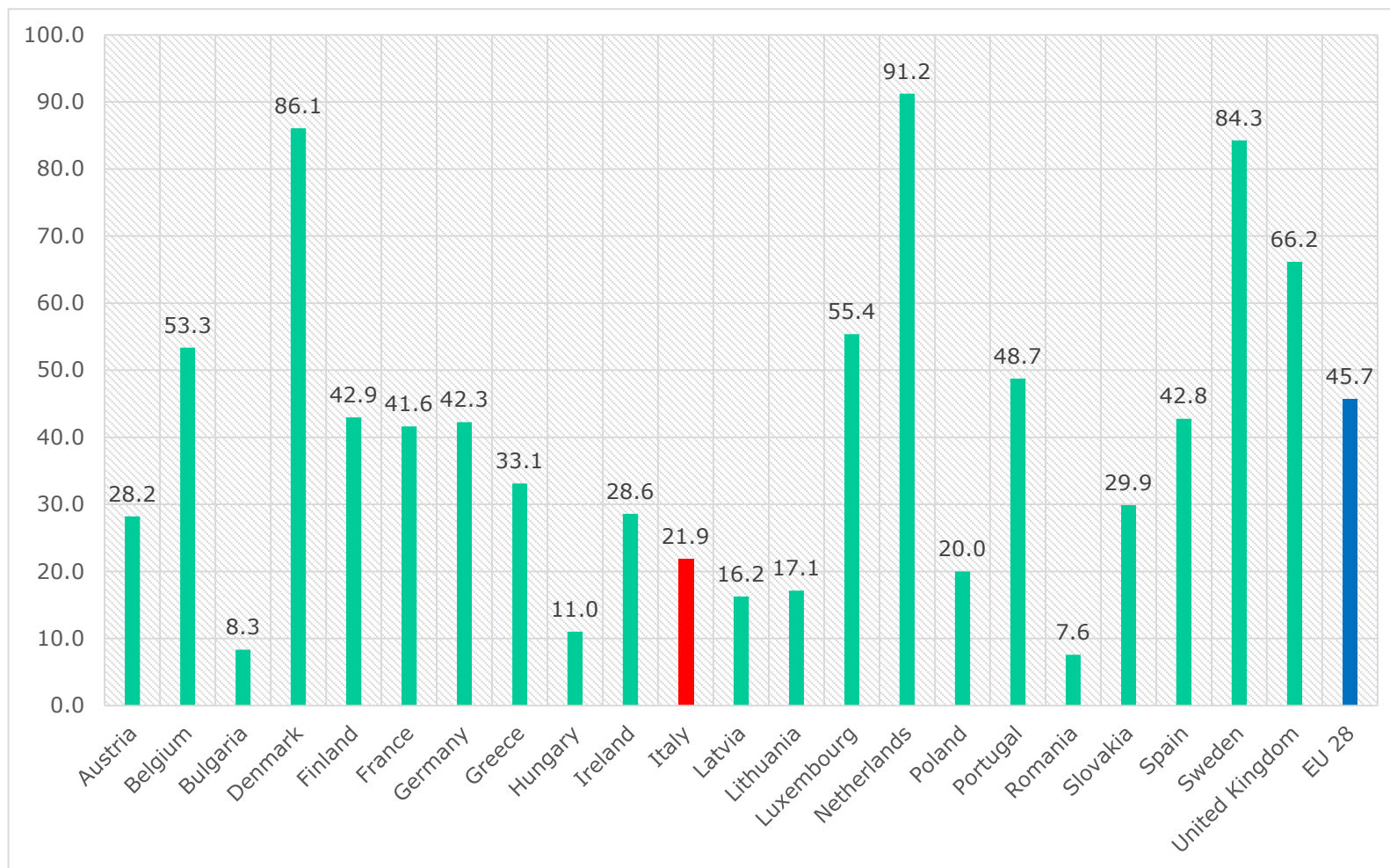
NEW ISSUANCE OF RESIDENTIAL MORTGAGE LOANS

New issuance of mortgage loans to purchase home (billion of euro)



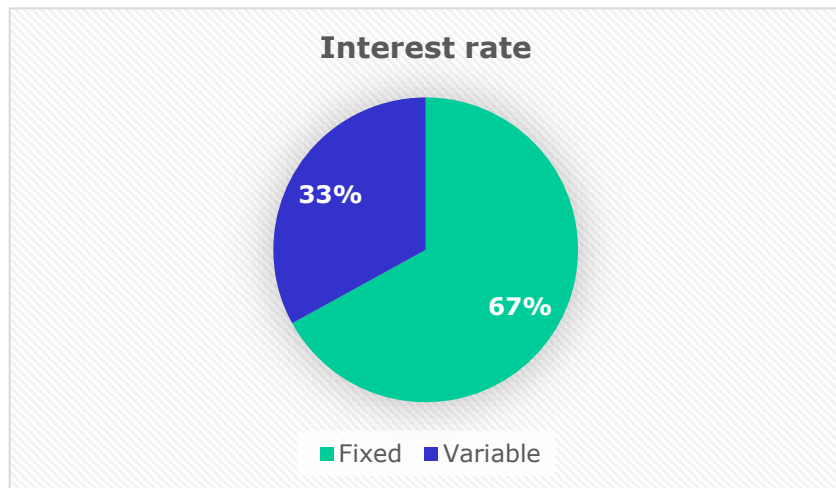
Source: ABI

STOCK OF RESIDENTIAL REAL ESTATE MORTGAGE LOANS ON GDP IN EU



Source: EMF

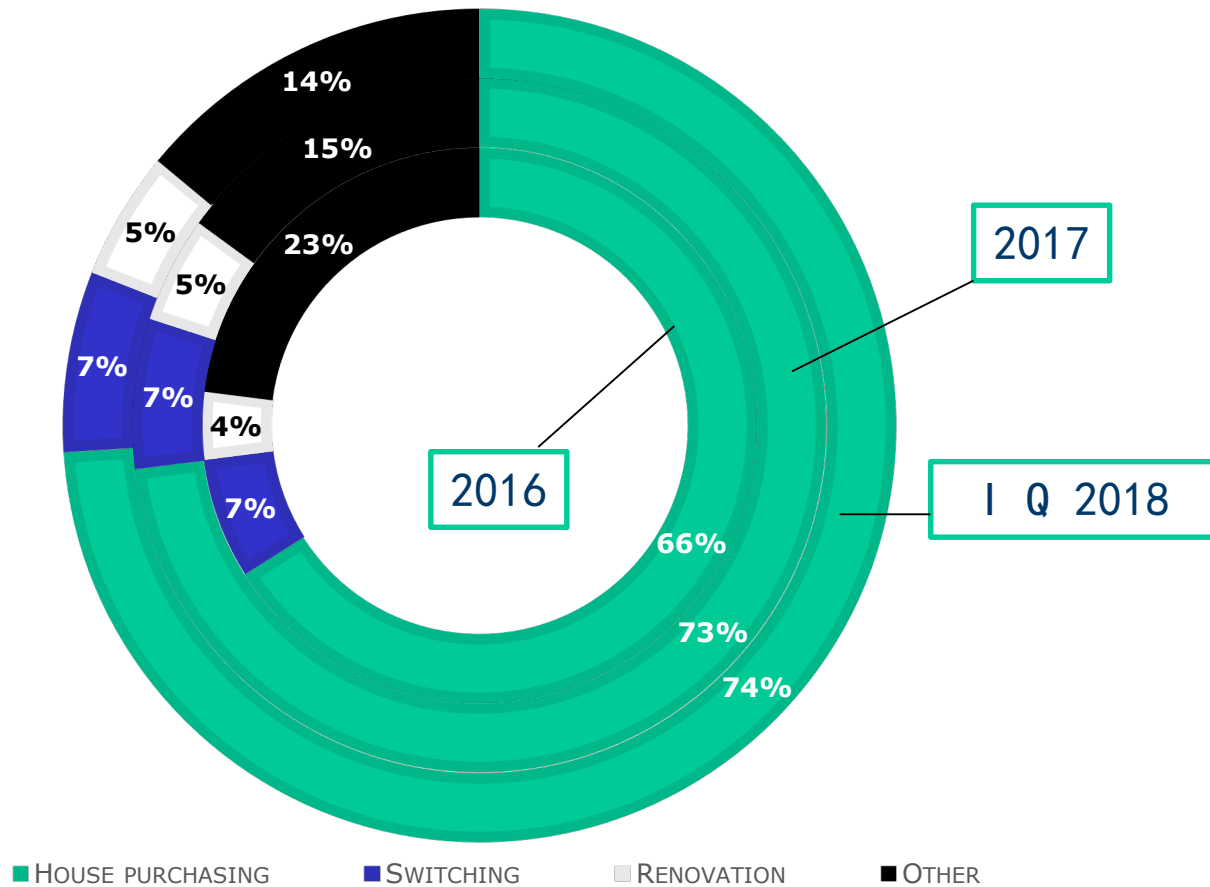
MAIN TOPICS OF ITALIAN RESIDENTIAL MORTGAGE MARKET



Size	126.000
Maturity	> 20 y
LTV	71%
Trasactions funded by loans	50%

MAIN TOPICS OF ITALIAN RESIDENTIAL MORTGAGE MARKET

DESTINATION OF RESIDENTIAL MORTGAGE LOANS



MAIN TOPICS OF DEMAND FOR RESIDENTIAL MORTGAGE LOANS DEDICATED TO RENOVATION FOR ENERGY EFFICIENCY

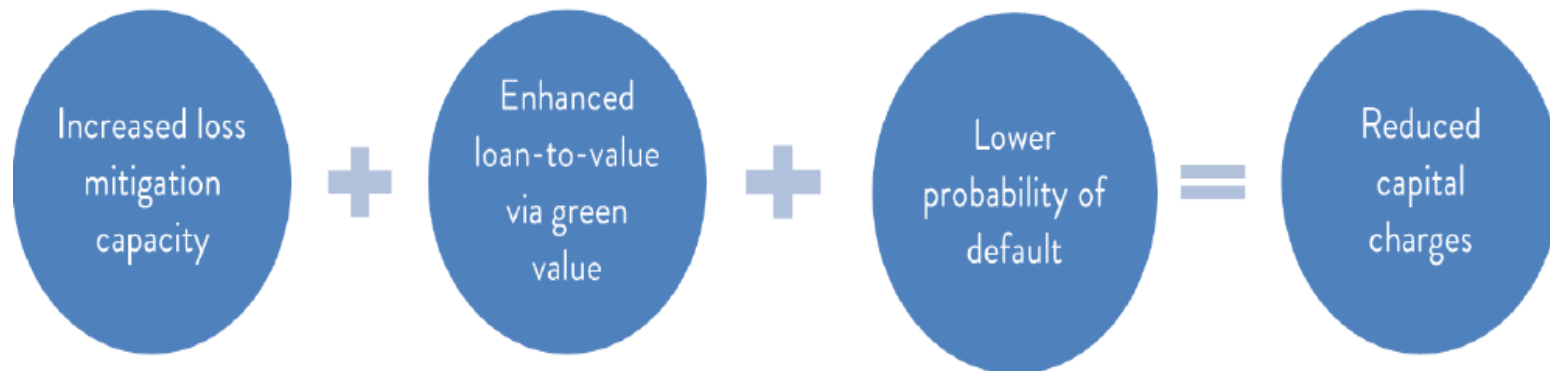
- ❑ **Fiscal drivers (reducing expenses)**
- ❑ **Cultural drivers (raise awareness)**
- ❑ **Improving the real estate «quality» (and «market value» for future investments)**
- ❑ **Positive macroeconomics impacts (access to credit)**
- ❑ **Savings from lower utilities bills (more money available)**

POSSIBLE KEY ELEMENTS FOR THE FUTURE DEVELOPMENT OF RESIDENTIAL MORTGAGE LOANS DEDICATED TO RENOVATION FOR ENERGY EFFICIENCY

- **Recognition of lower supervisory Risk Weight for these loans**
- **Fiscal benefits for lenders**
- **Public guarantee funds**
- **Awareness of importance of energy efficiency investments**
- **Greener properties should not mean LUXURY properties for property register!**

The **ultimate objective** is a pan-European private bank financing mechanism, based on a standardised approach, to encourage energy efficient improvement by households of the EU's housing stock by way of financial incentives linked to the mortgage, and in this way support the EU in meeting its energy savings targets. Independent from, but complementary to, public funds or tax incentives.

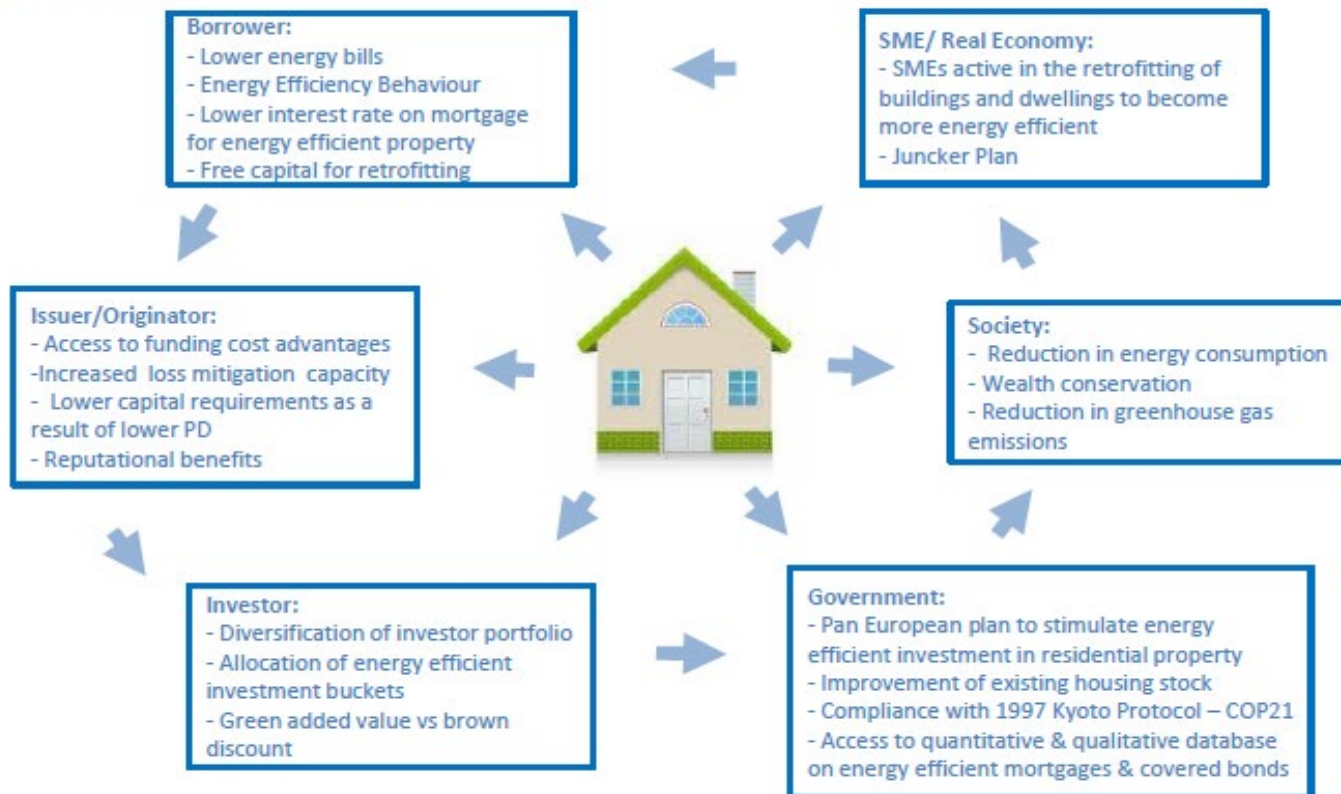
Underlying business case:





Energy Efficient Mortgages Initiative

Incentive Chain



THANK YOU FOR YOUR ATTENTION

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