

## 15. Banking

This section contains information regarding the structure and credit activity of the banking sector in Sicily, with data gathered from publications produced and issued by the Bank of Italy. The data refers to the accounting situation at the end of the period in question and to resident banks in Sicily; since 2007 this data has included the Cassa depositi e prestiti spa (joint-stock deposits and loans fund), an institute founded in 1863, reporting directly to the Ministry of Finance (subsequently the Treasury) and in line with law 13.05.83 n.° 197, possessing administrative and organizational authority (Q.v. Annual Report 2012 – Bank of Italy).

In Sicily in 2012 there were 66 operative banks (one less than in 2011), over half of which had their head-offices in the Region (34, as in 2011). The number of branch-offices (1,707) was lower than in the previous year (-32 units), and accounted for 5.2% of the national total.

At the end of 2012, the total amount of money deposited in Sicilian banks came to a figure of 33,527 million Euros, with a +2.2% increase over the previous year. This result represents an inversion of trend when compared to the variation recorded in 2011 (-2.6%) and can be ascribed principally to an increase in deposits on the part of “consumer families” (+4.9%), accompanied by variations of a similar type in deposits of producer families (+75 million Euros, +3.7% over 2011) and all the other sectors with the exception of public administration deposits, which registered a fall of 586 million Euros (-31.4% compared to the previous year).

At the end of 2012, loans granted in Sicily amounted to 43,795 million Euros, representing a -1.2% fall over 2011, concentrated principally in the public administration (-8.6%). This is followed by “non-financial companies”, which during 2012, registered a 2.6% fall in loans when compared to 2011 (-493 million). The loans granted to the latter did however represent, again in 2012, a sizeable share (about 43%) of the total, whilst 4.3% was made up of funding for the public administration and 40.5% financing to “consumer families”. The incidence of these Regional aggregates, compared to the corresponding national figure, shows family loans (both consumer and producer) to be leading the way, with 5.4% and 3.5% respectively, whilst non-financial company loans in Sicily accounted for only 2.2% of the analogous figure in the country as a whole.

The impact of the large credit institutes on bank deposits (of 54,889 million Euros) remained high. As regards loans, the sum handled by this category amounted to 1,196 million Euros.

With regard to the recipients of these loans, investment in building and purchase of real estate once again represented the driving force in 2012,

propelling bank financing beyond the short term and together accounted for 53.3% of total funding (though registering a fall of -3.4%). The overall picture described by the indicators quite clearly reflects several aspects of the ongoing economic crisis and varies greatly throughout Sicily. The Provincial distribution of financial aggregates are naturally proportional to the size of the district. The branch-offices in 2012 seem to be concentrated in the more densely populated Provinces, ranging from the 64 in the Province of Enna to the 413 in the Province of Palermo. If we take as our point of reference the size of the bank to which they belong, the branch-offices of the minor banks seem to be concentrated in particular in the Province of Palermo (55 out of 223, accounting for 24.7% of the branch-offices in this class) and to a lesser extent in the Province of Ragusa (5, and accounting for 2.2% in this class). At the same time, their distribution in terms of institutional groups again reveals a predominance of co-operative credit banks in the Provinces of Palermo (39 out of 168, and 23.2% of the total), although Agrigento and Caltanissetta perform strongly in this group (26 and 28 branch-offices respectively, and about 16% of the total), especially bearing in mind the lower population density in these two areas. The Province of Catania has most branch-offices in “popular” banks (81 out of 246, and 32.9% of the total), followed by Ragusa with 39 branches (15.8%).

With regard to typology of bank-funding beyond the short term, in 2012, pride of place in investment in construction went to Catania (1,512 million Euros and 22.6% of the Regional total), whereas Palermo was the Province boasting the greatest spending on machinery (953 million Euros) and Provincial real-estate purchase (4,932 million Euros), as well as “other destinations” (5,251 million Euros), totalling 33.4%, 24.4% and 29.7%, respectively, of the total Regional amount for the three different “destinations”.

## *Glossary*

**Bank:** Enterprise permitted to carry out banking activity; the latter consists in accumulating the public’s savings in credit institutions. Apart from banking, banks are involved in every other kind of financial activity (in accordance with the individual structures of each of these), as well as other connected and instrumental activities. Banks are graded according to size (major, large, medium, small, minor) in proportion to the total amount of credit that can be granted to residents and non-residents.

**Bank deposits:** includes deposits and bonds, which, on the basis of their duration, can be distinguished as short, medium or long-term.

**Branch office:** a counter at a denominated branch of a bank, in which funds can be deposited in savings accounts or current accounts.

**Deposits:** funds received by the bank from non-banking subjects, and collected in the form of free or term deposits, interest-bearing bonds, time certificates, free or fixed deposit accounts.

**Facilitated financing:** operations carried out at rates below those of the market, in virtue of legislation providing assistance in paying off interest and/or the utilisation of government funds or the funds of other public administration bodies.

**Financing beyond the short term:** total investment with an initial duration of over 18 months.

**Institutional groups (of banks):** grouping of banking institutions in homogenous categories. The banks operating in Italy can be divided into:

- Banks as joint-stock company
- Popular banks
- Co-operative credit banks
- Central (banking) institutes;
- Branches of foreign banks.

The first include public law credit institutes, national banks, savings banks and popular banks that have taken on the form of joint-stock companies, as well as all banks offering medium or long-term investment. The second ones are those that have not become joint-stock companies; the third are former agricultural and merchant banks; finally, there are banking organisations which also include institutes dealing mainly with refinancing.

**Loans:** the bank's financing of non-banking subjects.

## *Further reading*

### **Publications**

Statistics bulletin 2006-2013 Bank of Italy  
Italian Statistical Yearbook– 2013 – ISTAT

## **Internet**

<http://www.bancaditalia.it/>  
Statistics bulletin

<http://www.bancaditalia.it/pubblicazioni/econo/ecore/sintesi/economieregional2010>  
Regional economies – The Economy in the Italian Regions

<http://bip.bancaditalia.it/>  
On-line public information base

<http://www.istat.it/>  
Italian Statistical Yearbook 2013 – Chapter 20: “Credit, insurance, monetary and financial markets””