

2nd February - 2/2022

Bulletin of Italian Finance

SPOTLIGHT



**Banche
Assicurazioni
Finanza**

Italian Banking Insurance and Finance Federation

1. FeBAF hosts a webinar with the French Ambassador

Continuing its practice of inviting ambassadors to present their country's programmes for EU presidencies when these get underway, FeBAF hosted a webinar on 25 January at which Christian Masset, the French ambassador to Italy spoke about the plans that France has for its six-month presidency. Introducing Mr Masset, Innocenzo Cipolletta, FeBAF's chairman, noted how the EU faces a critical period in which the Stability and Growth Pact and the capital markets union are among the major issues under examination, moreover within a framework shaped by the pandemic. Indeed, the pandemic was among the first issues on which the ambassador touched. "The health crisis is not yet over, but we are in a period when we can begin opening up," Mr Masset observed. After tackling geopolitical matters - the Ukraine crisis at the EU's borders, the development of an EU defence structure, the need for attention to neighbouring regions like the Balkans, and a focus on values and what unites EU members - the ambassador turned his attention to the post-pandemic economic recovery and financial issues. He said that France will use its presidency to push the capital markets union, ethical finance, greater EU financial sovereignty and the establishment of an anti-money laundering agency. Like Italy, France also believes the

"More flexibility is needed to permit crucial state investments, and more account must be taken of individual national situations," he added.

emphasis of the Stability and Growth Pact should be on growth, said Mr Masset, pointing to the euro area's poor performance compared to the USA.



Amb. Christian Masset

2. Insurers see a major recovery role

Italian insurers see their role as being near the front-line in repairing the damage caused by the pandemic. “Recovery and resilience are the two central objectives of the national plan, and the insurance industry can play an important role in both,” wrote Maria Bianca Farina, president of ANIA (the insurers’ association) in the latest issue of *Rivista Bancaria-Minerva Bancaria*, an article highlighted by the association on 18 January. Ms Farina noted that as well as dealing with the impact of the pandemic, Italy faces other challenges which include climate change, digital transition and an ageing population. On the question of recovery, she pointed to the financial fire-power that the insurance industry can bring to bear - about 18 per cent of total household financial assets - and to how Italian insurers’ investments now amount to more than €1,000 billion. Ms Farina underlined that the typical insurance model of long-term investment lends itself to the recovery phase, “especially for infrastructure investment”. (She was given French support by ambassador Christian Masset who, speaking to FeBAF’s webinar on the EU’s current French presidency, said that one of the presidency’s aims is to encourage “insurers’ contribution to financing long-term projects”).

On the question of resilience, Ms Farina is keen on public-private initiatives to deal with (a) the need for far greater insurance cover against natural disasters, a segment where, despite high exposure, only 5 per cent of Italian homes are insured and (b) a new welfare system to cover the significant gaps that Italians have to fill from their own pockets.



3. Bankers focus on threats to recovery

When he gave evidence to a parliamentary commission on 17 January, Giovanni Sabatini, director-general of ABI (the banking association), underlined the uncertainty that overhangs Italian business and the adverse impact on firms, and consequently on banks, of potential or impending policy and regulatory changes. Pointing to the essential role played since March 2020 by the banking system in dealing with the economic effects of the pandemic through large-scale loan moratoriums and guarantees, Mr Sabatini noted that the immediate economic up-tick at the first signs of let-up in the pandemic confirmed the suitability of the measures adopted. They have also allowed bank balance sheets to stay healthy. With an average CET1 ratio of 15.2 per cent and average impaired loans at 2 per cent of total lending (net of adjustments), the most recent figures for Italian banks are “significantly better than before (2006-2007) the financial crisis and are in line with the European average”. Mr Sabatini pointed out that at the end of December the value of loans that enjoyed repayment holidays stood at €44 billion (of which €36 billion to business) from a total of €270 billion that had been approved. He noted that banks have adopted prudential policies of loan provisioning and exposure classification to tackle increased loan impairment as support measures are withdrawn. And he drew attention to reassuring figures on probability of default, which indicate that firms with loans backed by public guarantees or overdue after repayment holidays do not present above average risk.

“This shows that economic policy needs to continue to be aligned with the objectives followed until now, with support for firms to get them through the ongoing pandemic crisis,” said ABI’s director-general. What worries bankers is the prospect of a stop to measures despite continuing uncertainty, and with the pandemic not yet over. And another serious concern to which Mr Sabatini drew the hearing’s attention is the looming termination of the European Banking Authority’s flexibility on classification of support finance. “Europe’s regulations need to be equal to the challenges, and to be aligned with the overall objectives set by the European commission,” he said.



4. Asset managers look ahead to their 2022 annual forum

That Italian finance is on the way to a post-pandemic new normal was given further proof on 21 January when Assogestioni (the asset managers’ association) announced the dates of this year’s Salone del Risparmio and what it will focus on. With its subject “Human, responsible, digital. Economic and social development in the coming decade”, the twelfth edition of the annual event will be held between 10 and 12 May in Milan. In a radio interview, Jean-Luc Gatti, the association’s head of communications, underlined how the human factor is the primary motor of economic growth and social development of the societies in which we live. Even so, human capital has often been regarded as of secondary importance, “forgetting that people, with their capacity to innovate, adapt, use new technologies and invent new ones, are firms’ real added value.” The Salone del Risparmio’s draft programme already comprises more than 100 different conference sessions and events, including a professional education and training module supported by Assogestioni that aims to attract young people into careers in asset management. As with the successful previous edition in September last year, the upcoming Salone del Risparmio is an organisational hybrid and will combine in-person and digital attendance.

In a note, Assogestioni confirmed key figures from that edition: 11,000 individual attendees and a total more than 17,000 visits, with an average attendance of about four conference sessions. Encouraging for the organisers was a figure of 7 per cent for participation by foreign attendees, which was more than double the previous 3 per cent and validated the importance of digital attendance.



In Brief

Family offices under the microscope plans. A census undertaken by Milan polytechnic's school of management and Bolzano's free university found just over one half of Italy's 178 family offices were professional multi-family organisations, while a little over one third were single-family structures. Speaking to FocusRisparmio, the online magazine published by Assogestioni, Milan polytechnic's Josip Kotlar said he expected a growth in family-office services provided by banks and for single-family structures to expand towards a wider client base. While Italian family offices focus on core activities like asset allocation and investment monitoring, their work is becoming increasingly complex, said Mr Kotlar, with start-ups and innovative firms attracting their attention. The research found that almost two-thirds of family offices expected to make between one and five private equity or venture capital investments in the coming year.

Boosting branch security. Through its Bancaria Editrice publishing business, ABI Servizi, the services offshoot of ABI (the banking association) has recently published a new edition of its security handbook Antirapina. In a note on 19 January, ABI said that among the handbook's features is the full text of the latest crime prevention code, agreed between ABI and the home affairs ministry and underwritten by nearly all the provincial prefectures. ABI highlights the effectiveness of formalising security policy for countering, among other crimes, ATM theft, cyber attacks and pensioner fraud. In addition to analysing the measures contained in the new code, Antirapina also provides recent detailed figures for bank robberies and an address book giving the names and phone numbers of relevant provincial police contacts.

'Spotlight f' is the bimonthly English newsletter of the Italian Banking Insurance and Finance Federation (FeBAF). We use your email address for the sole purposes of our newsletters, and it will not be used for commercial reasons, sold, rented, leased, forwarded to third parties. If you wish to unsubscribe, click below

Inviato con 

[Unsubscribe](#) | [Disiscriviti](#)