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Banche Assicurazioni Finanza

Italian Banking Insurance and Finance Federation

Spotlight

1. Italian and German bankers join forces

There's a meeting of minds between the Italian and German banking associations, Associazione Bancaria Italiana (ABI) and the German Banking Industry Committee (GBIC). In a recent statement, which follows up the outcome of the Italian-German Dialogue on Financial Services organized by FeBAF, the two associations said that they have sent the European authorities a joint position paper that puts forward proposals in three areas where action is needed for reducing the economic impact of the Covid-19 pandemic. ABI and GBIC urge action to: (a) reformulate the way forward for the Banking Union; (b) re-focus the introduction of Basle 3 rules in Europe; and (c) amend regulations governing the treatment of impaired loans to take account of the current economic situation. The measures the associations seek should mitigate the risk of a short/medium-term reduction in the banking industry's capacity to finance the real economy. Giovanni Sabatini, ABI's director-general, drew attention to how the new European rules for supervision were conceived before the pandemic. “It's necessary to keep insisting that the European authorities modify these rules, and allow exceptions and temporary suspensions to avoid undesirable, automatic pro-cyclical effects,” he said. For Karl-Peter Schackmann-Fallis, GBIC's chairman, further development of the Banking Union does not require the creation of a new institutional structure. Instead, substantial benefits could be obtained by strengthening the role of national deposit guarantee schemes. ABI and GBIC underline that the management of banking crises should take account of the principle of proportionality and be aligned with the principle of subsidiarity. And they urge that legislation implementing Basle 3 be suspended within the EU until there's clarity regarding the pandemic's impact on the real economy and the financial sector. Futher reflections are expected in April during the next round of the Italian-German Dialogue on Financial Services between FeBAF and GBIC.

2. Ultra-low real interest rates: for how long?

Friday 26 February FeBAF organized the webinar "The Strange Case of real neutral rate. Are we in a secular stagnation?". Daniel Harenberg (Oxford Economics) reflected on reasons and consequences of ultra-low interest rates, inflation below target, underwhelming potential output growth in the eurozone. Elena Carletti (Bocconi University), Dario Focarelli (ANIA) and Stefano Siviero (Bank of Italy) commented respectively on the implications of this situation on banking, insurance industry, and monetary policy. In his conclusive remarks, Paolo Garonna (FeBAF) noted how in USA rates and inflation expectations are climbing and defined as a “question of policy” the link between rates and profitability in the entire European Union.

3. A growing attention to crowdfunding

Interested in Italian crowdfunding? Perhaps the first step should be a visit to the website of Consob, the market regulator, where four clicks (area pubblica | soggetti e mercati | gestori portali crowdfunding | sezione ordinaria) take the web-surfer to a list of nearly fifty authorised portals. Two more clicks and the web-surfer is at crowdfunding's front-line, inspecting the firms that have reached out in the search for capital to develop their businesses, and able to check how successful those searches have been. On 18 February, the Italian private banking association (AIPB) held a roundtable to consider the prospects that online investment portals offer private banking in the light of last year's EU regulation governing crowdfunding platforms. Introducing the event, Antonella Massari, AIPB's secretary-general, noted how the encouragement of suitable innovative channels for private savings can help firms make a “cultural leap towards alternative sources of financing”. However, she believes that it is necessary to define a new class of investors as “semi-professional” in order to boost “this newly emerging asset class”. Giancarlo Giudici of Milan Polytechnic's management school gave some figures that show how crowdfunding has grown in Italy. From €8 million in 2015, investment passing through lending and equity crowdfunding platforms increased to more than €520 million last year. Since 2013, portals have carried 719 campaigns, promoted mainly by innovative start-ups, and over three-quarters have closed successfully, exceeding targets by about 240 per cent on average, and with 95 subscribers for each campaign. AIPB is not alone. A recent article in FocusRisparmio, an online magazine of Assogestioni (the fund managers' association), carried the headline “Crowdinvesting, private clients are ready”. FocusRisparmio pointed to how Italy's one and a half million high net worth individuals hold over €1.1 trillion in financial assets, how equity crowdfunding allows asset diversification and how investment in start-ups and innovative SMEs enjoys appetising tax breaks.

4. A boost to financial education

Perhaps the media's emphasis on the economy, public finances, employment and business health during the past year has raised awareness of the need for financial literacy but, whether or not Covid-19 has played a part, financial education in Italy seems to be flourishing. Corporate governance is the focus of a four-module three-month course developed by Assogestioni (the fund managers' association) and LUISS university in Rome, which got underway on 19 February. AIPB (the private banking association) is also busy, having launched on 15 February a new course, with a final qualifying examination (Certification in Wealth Management) for private bankers and financial advisers. Assogestioni and AIPB are joined in March by ANIA (the insurers' association) which partners the CeTIF research centre of Milan's university in a course on insurance management. And there's a gender gap, as Maria Luisa Cavina, head of consumer protection at IVASS, the insurance regulator, told a recent webinar on household financial education. Italian financial literacy is correlated with geography (the south lower than the north), socio-economic standing and gender, women being less prepared on financial matters than men. The pandemic has stressed family budgets, usually managed by women, noted Ms Cavina, and has highlighted the need to focus financial education on girls in secondary school.

In Brief

Pension schemes - 2020 figures. Encouraging Italians to save for retirement continues to be a national priority. Latest data from pensions regulator Covip suggest some success. During 2020, non-state pension schemes welcomed 236,000 new savers, bringing the number to about 9.4 million at year-end, an increase of 2.6 per cent on December 2019. Just over 3.5 million of the total were subscribers to individual pension plans (PIPs), while almost 3.3 million were members of occupational schemes. Open pension funds had 1.6 million subscribers at year-end, about 55 per cent of them employees. Total assets amounted to €196.4 billion, which was 6.1 per cent higher than at year-end 2019. Covip's figures show that yields from occupational schemes and open pension funds comfortably beat yields on employees' leaving indemnities, whether over one, three, five or ten years.

Annual reports. Assoreti (the association of networks of investment firms with tied agents) and Assogestioni (the fund manager's association) have published guidelines to ensure that, in accordance with MiFID2 requirements, savers are given annual reports on the costs and charges relating to products in which they have invested.

Save the date

POLITICO organizes

Finance Summit 2021

Online

04 March 2021 from 08:30 a.m. to 06:30 p.m.

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American Bar Assosiation organizes

Capital Markets Conference

Online

02-04 March 2021

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