1. Banks working at full speed to mitigate the effect of Covid-19

With businesses in hibernation and jobs suspended, the banking association (ABI) has found itself in the front-line for mitigating the effects of the pandemic on the firms and people on whom the Italian economy depends. Keeping money flowing is crucial. And since the end of March there has been no let-up in ABI’s efforts towards this. As Antonio Patuelli, the association’s chairman, told wire service ANSA on 11 April, banks are working full-time and over-time to ensure the availability of liquidity. On 29 March, the association had announced that, together with the economics and finance ministry, the Bank of Italy and the state-controlled Mediocredito Centrale southern investment bank, it was establishing a task force for the rapid and efficient use of the government’s liquidity support measures. On 31 March, ABI reached agreement with employers’ associations, labour unions and cooperative movements for banks to provide an advance of €1,400 on disbursements by the CIG state unemployment scheme to laid-off workers. The following week, ABI and INPS (the pensions and social security agency) announced that new measures and simple procedures were being introduced to reduce the time for crediting workers with CIG payments. The banks have also turned their attention to the financial problems facing local government, ABI announcing on 7 April that it had agreed with the association of town and city councils and the union of provincial authorities for a twelve-month suspension of capital repayments on loans falling due in 2020. ABI and SACE, the state-controlled export insurance and SME-guarantee institution
have just reached an agreement to support firms. All new measures in favour of companies of different size, starting from the SMEs, are now working in order to keep liquidity flowing.

Making further direct contributions to efforts to tackle the Covid-19 emergency, the Bank of Italy has added €43.5 million in aid to regional health services, bringing the total at 6 April to €64.5 million. The money comes from a fund for charitable activities and works of public interest established annually by the central bank's supervisory board (Consiglio Superiore). Among the latest allocations are funds for the purchase of personal protection equipment in Basilicata, for 100 intensive care beds at Ancona in the Marches, 75 intensive care beds at Catanzaro in Calabria and 32 intensive care beds at Messina in Sicily. Funds have also been allocated for epidemiological research in Emilia Romagna and laboratories in Genoa.

2. The Insurance Association buys Compagnia Ferroviaria Italiana

Ania, the National Association of Insurance Companies, announces the acquisition of the major stake in Compagnia Ferroviaria Italiana S.p.A. (CFI), the leading independent operator in Italy in the field of goods transport services by rail. The operation is the first one performed by the new fund established by Ania in cooperation with F2i, the fourth fund managed by F2i Sgr, and involves the acquisition of 92.5% of the share capital. The remaining 7.5% will be held by Giacomo Di Patrizi, the current founding shareholder of the Company, who will carry on as Chief Executive Officer.

CFI is the leading independent - third overall - operator in the field of goods transport by rail in Italy and the third in terms of absolute turnover. With its introduction into CFI, F2i is adding a new sector to the range of infrastructural industries it invests in: rail transport is an addition to ports, airports, motorways, energy distribution networks, renewable energy, telecommunication networks and services, health and social care facilities, for a total of 19 managed companies with an aggregate turnover of 4.3 billion euro and 19 thousand employees. “With this operation, the ANIA F2i Fund enters a sector that is essential for the support of the national production system and, at the same time, crucial to contribute to the progressive decarbonisation of goods transport in Italy,”, said Renato Ravanelli, CEO of F2i Sgr.

The Ania F2i fund aims to contribute to the support of the country through investment in infrastructure networks and in respect of environmental and economic development issues. The Covid emergency has shown how important it is for Italy to have independent and efficient operators for the transport of goods by rail: in recent weeks many of the essential goods have reached families thanks to goods trains while restrictive measures on the movement of people have hindered road transport. We believe that infrastructure will contribute to the recovery of our economy and we confirm the commitment of the insurance sector to support the country’s system even in these difficult times, comments Maria Bianca Farina, Chairman of Ania.

3. Assogestioni proposes new Individual Savings Plans

Assogestioni (the Italian investment management association) wants the government to approve a new form of individual savings plan aimed at high net-worth individuals, with investment specialised in SMEs, especially those at the lower end of the size scale, and directed at non-listed securities traded on private markets. This “alternative individual savings plan” would thus involve investments considered illiquid. Assogestioni proposes that at least 70 per cent of a plan should be invested in small firms, either securities, loans or credits, and that the concentration in one firm or several firms of the same group should be 20 per cent rather than 10 per cent. And in order to enjoy tax breaks, Assogestioni suggests the limit of annual investment should be €150,000, instead of €30,000 as for existing plans. Interviewed on 15 April by business daily Il Sole-24 Ore, Tommaso Corcos, Assogestioni’s chairman, said that this new type of plan could attract savings of €3.5 billion annually.
“Our proposal would give real and solid support to firms, at the same time satisfying legitimate hopes of significant returns,” said Mr Corcos. In a recent submission to a parliamentary commission examining emergency Covid-19 legislation, the insurers’ association ANIA pointed to the use of fiscal incentives like those allowed to personal savings plans as a model for getting the economy moving after the emergency has passed.

4. Significant increase of private debt investment

Investment in private debt increased by 28 per cent last year to €1.3 billion, said AIFI, the private equity, venture capital and private debt association, in its recent 2019 report. There were also increases in the number of investments (up 75 per cent to 252), the number of reimbursements (up 69 per cent to 238) and the amount reimbursed (up 52 per cent to €0.3 billion). However, fund-raising was down 24 per cent to €0.4 billion. “The association is working to win a larger flow of capital into this instrument, which is particularly useful in a period like the present,” said Innocenzo Cipolletta, AIFI’s chairman. Unsurprisingly, with 28 per cent of the total, firms in Lombardy had the largest number of operations, followed by Veneto with 14 per cent. Firms with turnover under €50 million attracted 60 per cent of investment.

5. A good year for networks of tied agents

Last year turned out well for investment advisory firms which operate through networks of tied agents, reports Assoreti, their association, in its 68-page annual report published on 2 April. The association represents 25 firms, mainly banks, which together had almost 25,000 tied agents at year-end, equal to almost three-quarters of the total number of authorised financial advisers in Italy. Using Bank of Italy figures for the end of September, Assoreti reported that, in placing €601 billion, its networks were responsible for 13.7 per cent of total Italian family financial assets, or 18.9 per cent taking account only those products held by families and dealt with by advisers. The net inflow recorded by networks last year amounted to €34.9 billion, an increase of 16.9 per cent on 2018. The net inflow per adviser was 12.9 per cent higher at €1.53 million, while average assets per adviser amounted to €27.2 million, against €23.3 million in 2018, and the number of clients per adviser was 197, compared with 192 in 2018. Northwest Italy accounted for 44.4 per cent of assets, with Lombardy alone accounting for 29.9 per cent. Assoreti noted that clients continued to be risk averse last year, prudential strategies leading to increases in deposits and insurance products.
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