Private Banking: a strategic industry for sustainable development

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AIPB Secretary General

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### Associazione Italiana Private Banking (AIPB): key figures

<table>
<thead>
<tr>
<th>AIPB</th>
<th>Private Banking</th>
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<tbody>
<tr>
<td><strong>130</strong></td>
<td>CUSTOMERS</td>
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<tr>
<td>banks, financial institutions and consultants</td>
<td>Sophisticated needs</td>
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<td><strong>817</strong></td>
<td>SERVICE</td>
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<td>billion euros under management</td>
<td>High level of personalization</td>
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<td><strong>¼</strong></td>
<td>PRIVATE BANKERS</td>
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<td>of the Italian household financial investable wealth</td>
<td>Dedicated consultants</td>
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Wealth Industry global trends

- Wealth geographical distribution changes
- Rising polarization
- Digital disruption
The rise of new geographies

Source: Credit Suisse Global Wealth Databook 2018
The tightening of inequality

**Top 10% earners national income share**

- Europe: 37%
- China: 41%
- North America: 47%
- Sub-Saharan Africa: 54%
- Middle East: 61%


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<td>Middle 40%</td>
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<td>25%</td>
<td>26%</td>
<td>27%</td>
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<td>«Global middle class»</td>
<td>30%</td>
<td>31%</td>
<td>32%</td>
<td>33%</td>
<td>34%</td>
<td>35%</td>
<td>36%</td>
<td>37%</td>
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*Source: World inequality report, 2018*
The digital disruption

- Digitalization brings challenges for regulators, worker’s skills and security, but...

- ... it creates new opportunities for financial investments

- Technology increase the speed of reduction of development gaps
Wealth Industry role to mitigate global imbalances

- Wealth global trends bring geopolitical tensions which translate into protectionism.
- Inequality generates exclusion and social dissatisfaction fuelling populism.
- Some people recognize wealth as an opportunity if it is invested in a responsible way (over 50% of Italians - AIPB-Censis Observatory).
ESG investments to support UN Goals through growth of global sustainable investing assets.

United Nations’ 17 Sustainable Development Goals

Growth of global sustainable investing assets

+34%

2016: 23 tln $  
2018: 31 tln $

Source: GSIA, 2018
Bank of Italy decided to use ESG criteria for its investment policies.
Wealth Management Industry for a sustainable development

• High net worth individuals can have an important impact on realizing UN Goals and reducing global imbalances through responsible investments.

• Wealth Management Industry must engage and support clients through high quality advisory on ESG investment strategies, always keeping in mind the desired mix of risk, profitability and diversification of their clients’ financial portfolio.

• Wealth Management Industry is ready and aware of its need to play an active role in supporting global sustainable development.