

## INTERNATIONAL SAVINGS BANKS

1 July 2022

# The Savings Banks Organisation in Italy

The Italian banking system was shaped by the interventionist banking legislation of the 1930s until the mid-1980s. The late liberalisation of the industry began with the transformation of banks and Savings Banks into public companies. The share ownership was transferred to foundations. This so-called "formal" privatisation was implemented in 1990 with the Amato law.

In 1993 the Italian government reached an agreement with the EU Commission on the material privatisation of the banking sector, including the public Savings Banks (Andreatta-Van Miert agreement). The initially public foundations were therefore converted into private foundations and in 1998 they were forced to sell their majority stakes in the bank stock companies with few exceptions.

The sale of shares also favoured the consolidation of the Italian banking sector. Since then, a large number of Savings Banks have been merged into the two large units, Unicredit and Intesa Sanpaolo, among whose shareholders there are still a few foundations.

**Author:**

Jana Gieseler - DSGV

## The Italian banking market

In macroeconomic terms, the importance of the banking sector in Italy is below average compared to other European countries. In 2021, the balance sheet total of all banks was approximately 1.9 times the country's overall economic output. In comparison, the European average was 2.5 times the GDP. The bank branch network in Italy is well developed with 2,731 inhabitants per branch. In comparison, the European average is 3,234 inhabitants per branch (see charts 1 and 2).

In 2021, the portfolio of loans at risk of default at Italian banks stood at 3.1%, above the average of 2% in other European countries. The cost-income ratio of Italian banks in 2021 was 67%, which is above the level of other European countries. Profitability, measured by return on equity, plummeted in 2021 and was far below that of other banks in Europe (see charts 3 and 4).

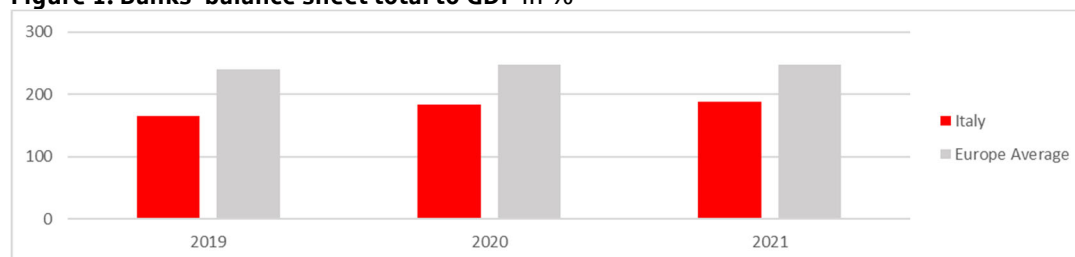
The pandemic hit the Italian economy hard. GDP fell by almost 9% in 2020, with much larger declines in contact-intensive services. Public and corporate debt rose sharply. Italy has the second highest level of government debt in the EU, after Greece, at around 150% of GDP. Italian banks are thus still subject to considerable risks. Italy's banking landscape has undergone profound change since 2015. Hundreds of institutions have disappeared and among the hundred remaining independent banking groups, only a few savings banks, Volksbanken and cooperative banks remain. Of 474 Volksbanks, only about 20 remain. Most of the savings banks have also disappeared, of which only 11 remain. In 2015, the government decided to convert all Volksbanks with a balance sheet total of more than EUR 8 billion into joint-stock companies with the aim of encouraging the institutions to merge, as many had to be rescued by the state during the financial crisis. In view of the Ukraine crisis, the Italian bank Intesa Sanpaolo has already revised its profit target for 2022 significantly downwards, as it has more than EUR 5 billion at risk in Russia and Ukraine.

**Table 1: Italian banks by balance sheet total**

Group	2021	2020	2019	2018
Intesa Sanpaolo	1,069	1,003	816	788
Unicredit SpA	917	931	856	832
Cassa Depositi e Prestiti	517	512	449	425
Banco BPM	200	184	167	160
Banca dei Paschi	138	150	132	130

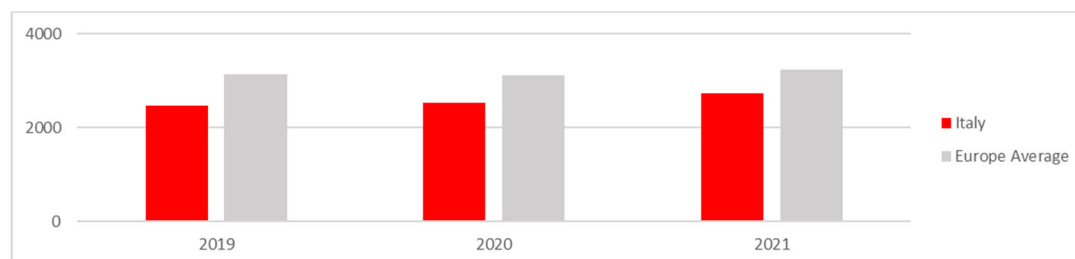
Source: Financial reports of the respective institution, 2021, in billion euros

**Figure 1: Banks' balance sheet total to GDP in %**



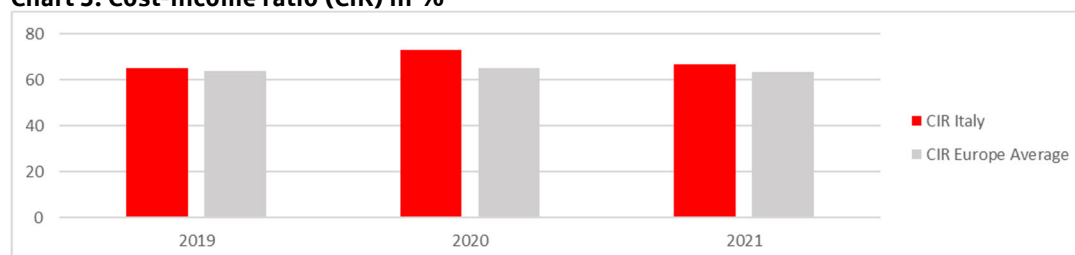
Source: European Central Bank, 2022, own calculations

**Graph 2: Inhabitants per branch office (EpG)**



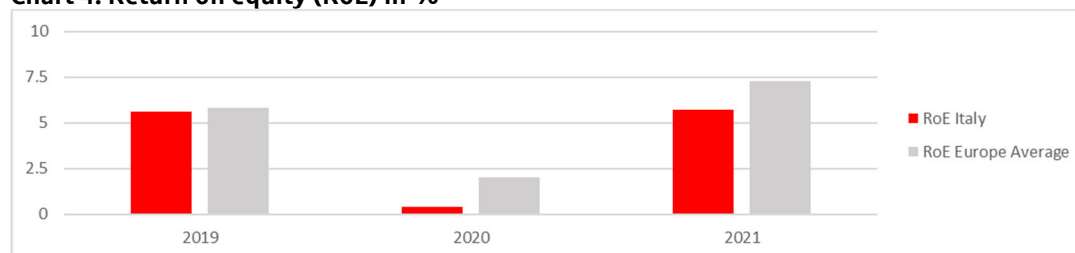
Source: European Central Bank, Eurostat 2022, own calculations

**Chart 3: Cost-income ratio (CIR) in %**



Source: EBA Dashboard, 2021

**Chart 4: Return on equity (RoE) in %**



Source: EBA Dashboard, 2021

## The Italian savings banks

The first savings banks in Italy (Casse di Risparmio) were founded in the early 19th century as institutions with a dual mission. On the one hand, they were to provide banking services to the population and, on the other, to pursue charitable purposes.

Starting in the 1990s, the originally public savings banks were converted into operational joint-stock companies with private sponsoring foundations. In this process, the philanthropic role of the savings banks was assigned to the sponsoring foundations. The following table provides an overview of the individual legal regulations for savings banks :

**Table 2: Statutory requirements for savings banks**

Year	Law
1990	Amato Law Formal Privatisation Obligation to retain majority shares through the foundations
1998	Ciampi Law: Material Privatisation Obligation to sell the majority stake
2005	End of tax exemption for sales of savings bank shares Preliminary completion of privatisation

Source: Italian Savings Banks Association ACRI, 2016

Legally, the savings banks in Italy are no longer a separate group of credit institutions and are not covered separately by the Banca d'Italia. The savings banks association ACRI defines savings banks as those joint-stock banking companies that have emerged from savings banks.

The background for the privatisation of the Italian savings banks was the political will to make the banking sector more efficient and to reduce the gross debt of the state before the introduction of the euro (Maastricht criterion). The majority of banks, some of which had already been nationalised in 1933, were privatised at the same time as the savings banks.

As part of the privatisation of the savings banks, most of the sponsoring foundations were forced to sell their majority shares in the savings banks. This promoted a consolidation of the Italian savings banks. A large number of savings banks have therefore been merged into the two large conglomerates Unicredit and Intesa Sanpaolo, among whose shareholders there are still some foundations.

There are currently 86 foundations. These include:

- 6 (smaller) foundations more than 50%
- 44 foundations have a minority shareholding of less than 50% and
- 36 Foundations no direct participation in the capital of their savings bank.

The 5 largest foundations, which together account for 48,5 % of the total foundation capital, are:

- Fondazione C.R. Provincie Lombarde
- Compagnia di San Paolo
- Fondazione C.R. Torino
- Fondazione C.R. Padova e Rovigo
- Fondazione C.R. Firenze

**Figure 5:** Geographical distribution of savings bank foundations as follows:



Source: Italian Savings Banks Association ACRI, [www.acri.it](http://www.acri.it) 2022

At 39.7 billion euros, investment in savings banks accounted for 86% of the foundations' total assets at the end of 2020. The total result in 2020 was 1.4 billion euros. In 2020, the foundations spent 949.9 million euros (previous year: 910.6 million euros) to promote the common good in 19,528 different projects (previous year 19,378 projects) .

**Table 4: Important structural features of Italian savings banks**

<b>Legal form</b>	Banking business in joint-stock companies (made possible by Amato Act 1990, conversion completed in 1993), private-law foundations
<b>Business activity</b>	No restriction of business activity.
<b>Regional principle</b>	Since 1962, it has been possible to establish branches nationwide with the approval of the central bank. The regional principle was abolished in 1990.
<b>Foundations</b>	The sponsoring institutions, which were initially set up as foundations under public law, have now been completely transferred to foundations under private law (prescribed by the Ciampi Law). By the end of 2005, the foundations also had to reduce their share ownership in the public limited company to - below 50 %. This does not apply to foundations with a capital of up to 200 million euros.
<b>Public welfare orientation</b>	Perceived by sponsoring foundations

**Table 5: Key figures of the five largest savings banks**

	Total Assets	Equity	Offices
Banca Carige Spa- B.M. di Lucca Spa	21.4	1.3	361
Banca di Sardegna Spa	16.1	0.9	329
Banca C.R. Asti Spa	14.0	1.0	213
C.R. di Bolzano Spa	10.3	0.7	107
La Cassa Ravenna Spa	6.7	0.5	133

Source: Financial reports 2020 of the respective institution, in billions of euros or number

## The umbrella organisation: Associazione di Fondazioni e di Casse di Risparmio Spa (ACRI)



The National Association of Italian Savings Banks was founded in 1912. It currently has 107 members.

**Table 7: ACRI structural features**

<b>Members</b>	11 savings banks, 83 foundations, 8 regional foundations, 3 foreign foundations, 2 other companies
<b>Legal form</b>	Association
<b>Purpose</b>	<ul style="list-style-type: none"><li>• Representation of the interests of the savings banks and savings bank foundations</li><li>• Coordination of the activities of the members, implementation of joint projects</li><li>• Promotion of cooperation between members and domestic and foreign companies and organisations</li><li>• Negotiation of the basis of agreements and arrangements which are submitted to the members for approval.</li></ul>

ACRI is member of the European Savings and Retail Banking Group (ESBG) and the World Savings and Retail Banking Institute (WSBI).

# Imprint

**Editor**

Deutscher Sparkassen- und Giroverband  
Financial Markets & Economics  
Charlottenstraße 47  
10117 Berlin

Phone: +49 30 20225-5288  
[www.DSGV.de](http://www.DSGV.de)

**Layout**

Franz Metz, Berlin

**Image credits**

Seite 1: Viacheslav Lopatin

**Responsible**

Dr. Thomas Keidel – DSGV  
[Thomas.Keidel@DSGV.DE](mailto:Thomas.Keidel@DSGV.DE)

**Author**

Jana Gieseler  
[Jana.Gieseler@DSGV.DE](mailto:Jana.Gieseler@DSGV.DE)

**Note**

You can find all publications in this series at  
<https://www.dsgv.de/en/savings-banks-finance-group/international-savings-banks.html>