

## PRESS RELEASE

Rome, 13 December 2024

### Second meeting of the Committee for Macroprudential Policies

The second meeting of the Committee for Macroprudential Policies was held today at the headquarters of Banca d'Italia in Rome.

The meeting was attended by the Governor of Banca d'Italia Fabio Panetta, who chaired it, the President of Commissione nazionale per le società e la borsa (Consob) Paolo Savona, the Acting President of Commissione di vigilanza sui fondi pensione (Covip) Francesca Balzani, the President of Istituto per la vigilanza sulle assicurazioni (Ivass) Luigi Federico Signorini, and the Director General of the Treasury Riccardo Barbieri Hermitte.

The Committee discussed the risks to the stability of the Italian financial system. In the second half of the year, the macrofinancial environment remained stable overall; the spread between ten-year Italian and German government bonds narrowed, and the stock prices have recovered from their decline in the summer months. Growth expectations for the current year have been scaled back, but economic activity is expected to improve over the next two years, driven also by lower interest rates. Risks related to international geopolitical tensions remain; high public debt and low growth may amplify the country's exposure to these risks.

Conditions in the banking sector are favorable, although there are signs of deterioration in credit quality. In the insurance sector, profitability has improved, although it still remains negative for life insurance, and the liquidity position has remained good. The asset management and pension fund sectors benefited from increased inflows and increased value of portfolio securities, respectively.

The financial condition of households remains solid overall. Better-off households have continued to purchase certificates, instruments that can expose investors to unexpectedly large losses when adverse scenarios occur. Based on the most recent surveys, the share

of households holding crypto assets, whose price in many cases tends to be extremely unstable over time, is increasing.

The Committee appreciated the macroprudential decisions for the banking sector recently taken by Banca d'Italia. With regard to ongoing initiatives at the international level to strengthen the stability of non-bank intermediaries, including the European Commission's consultation on macroprudential policies for non-bank financial intermediation that closed on 22 November, the Committee welcomes the proposals aimed at greater alignment between the degree of liquidity of the assets and liabilities of investment funds, particularly money market funds; Italian regulation already devotes attention to this aspect. The Committee also believes that the possible use of macroprudential instruments should be placed on a complementary footing with those - already existing - of a microprudential nature.

Finally, the Committee started work on the preparation of the report on its activities in 2024. The document will be submitted to the Government and Parliament and made public by next March.

The minutes of the meeting will be published at a later date.