MINUTES OF THE MEETING OF 4 DECEMBER 2025

The second meeting of the year of the Committee for Macroprudential Policies ('Committee') was held on 4 December 2025. It was attended by the Governor of Banca d'Italia Fabio Panetta, who chaired it, the President of the Companies and Stock Exchange Commission (Commissione nazionale per le società e la borsa, CONSOB) Paolo Savona, the President of the Pension Fund Supervisory Authority (Commissione di vigilanza sui fondi pensione, COVIP) Mario Pepe, the President of the Institute for the Supervision of Insurance (Istituto per la vigilanza sulle assicurazioni, IVASS) Luigi Federico Signorini, and the Director General of the Treasury Riccardo Barbieri Hermitte. The meeting was held at Banca d'Italia's headquarters in Rome.

The items on the agenda were:
1) the risks to the stability of the Italian financial system;
2) initiatives having macroprudential relevance;
3) the Committee's work on benchmarks; and
4) the Committee's Annual Report to the Government and to Parliament on its activities in 2025.

1. The risks to the stability of the Italian financial system

According to the members of the Committee, the conditions of the Italian economic and financial system remain generally favourable, though global uncertainty remains high. Several factors support this assessment.

The financial situation of households remains solid, supported by high employment levels. Their debt remains low relative to disposable income, despite the recent acceleration in mortgages. In the first half of 2025, the volume of certificates held by households increased slightly: these are highly complex instruments which may expose investors to the risk of material losses.

The Committee assessed the risks associated with the developments in the crypto-asset market, which are also due to the growing interlinkages with the financial system and the difficulty of monitoring the spread of crypto-assets among retail investors. Moreover, risks can increase when crypto-assets (or indices linked to them) are the underlying asset for already complex financial instruments such as certificates. The Committee will continue to pay close attention to the spread of highly complex assets among retail investors.

Financial conditions for firms also remain favourable overall, supported by still high profitability, though the latter is declining compared with 2024, and low levels of debt. The risks to financial stability connected with developments in the real estate markets continue to be low overall.

Italy's banking sector remains solid, with high levels of capitalization and profitability, and stable credit quality. Banca d'Italia estimates that profitability will decline moderately over the next two years. Moreover, in an uncertain macroeconomic environment, there are still risks of a deterioration in asset quality.

The insurance sector recorded an improvement in capitalization, profitability and liquidity conditions, which benefited from the increase in premium income and the decrease in redemptions. The favourable performance of Italian government securities helped to reduce the unrealized capital losses in the portfolios of companies. In 2025, the costs associated with the occurrence of adverse climatic events were reduced, as the number of such events was lower than in previous years.

The risks stemming from the asset management sector are limited overall. In the second and third quarters, the assets of Italian investment funds rose, mainly as a result of higher net inflows for bond funds.

The pension fund sector continues to show underlying stability, partly thanks to its defined contribution structure and diversification of investments. In the first nine months of 2025, the sector's assets continued to grow, thanks to new entrants, increasing contribution flows, and returns that were positive overall. The Committee noted that the size of the supplementary pension system in Italy remains, however, still small by international standards, also in view of the fact that, for a significant share of its members, contributions are not paid on a continuous basis over time.

Prudent fiscal policy mitigates the risk that foreign tensions could be amplified in Italy. In recent months, the yield spread between Italian and German government bonds has continued to narrow, reaching the levels observed before the sovereign debt crisis of the previous decade.

At the end of the discussion, the Committee concluded that, at this stage, the main risks to financial stability in Italy stem from the external environment: On the one hand, geopolitical uncertainty remains high. On the other hand, there continue to be vulnerabilities associated with trade tensions, with particularly high valuations recorded in the international stock markets and a growing role played by non-bank intermediaries. The Committee also noted that experience shows that risks tend to increase at times when financial conditions are favourable, following an increase in the debt taken on by economic agents.

2. Macroprudential initiatives

The Committee was updated on the macroprudential measures adopted by Banca d'Italia in the second half of 2025 and on the work carried out by the task force established by the Italian Ministry of Economy and Finance to assess the regulatory framework and information available on the placement of crypto-assets with retail investors.

With regards to crypto-assets, the Committee noted the difficulties associated with the lack of reliable information on their placement, partly because of their inherently cross-border nature, and stressed how crucial it is to exchange information more effectively at European level.

Although the data currently available seem to indicate that crypto-assets still account for a limited share of the portfolios of retail investors in Italy, the Committee reiterated that any material losses, incurred by even just some retail investors, could trigger episodes of distrust in the financial system.

The Committee also drew attention to the need for stablecoins to be backed by adequate and transparent reserves, to mitigate the risks associated with them. It also pointed out that the digital euro, as a digital form of public money, could play a role.

In conclusion, the Committee welcomes the initiatives relating to crypto-assets and calls for enhanced capacity to monitor developments in crypto-asset placement, not least because of the implications in terms of the fight against money laundering and the financing of illegal activities.

3. The Committee's work on benchmarks

The Committee took note of the progress of the working group, set up at its meeting on 13 June 2025, which was charged with developing an analytical and operational framework for carrying out the tasks entrusted to it with regard to assessing the adequacy of fallback provisions in index-linked contracts and financial instruments.[1]

The Committee invited the group to complete its work within the next year. It also emphasized the importance of publishing on the Committee's website any information that may help to clarify the limited scope of the Committee's tasks in this area.

[1] Fallback provisions are clauses in index-linked contracts designed to specify a replacement index that takes effect if a benchmark becomes unavailable, unrepresentative, or ceases to be published, so as to ensure the continuity of the contractual relationship.

4. The Committee’s Annual Report to the Government and to Parliament on its activities in 2025

The Committee has started to work on its Annual Report on the activities carried out in 2025. Its members have agreed on the structure and contents of the report, which will be published on the Committee’s website and submitted to the Government and to Parliament by the end of March.

5. Any other business

The meeting concluded with the approval of the press release. The next meeting of the Committee is scheduled for next June.