

Banking Monitor

Trends in the Italian Banking Sector

Interest Rates

The cost of total funding from customers remained stable also in the last two months of 2025. The rate on the stock of deposits has stayed at the level of 0.63% since August, and the average rate on new deposits with agreed maturity settled at 2.1%. The rate on bonds has continued to move within the narrow range between 2.8% and 2.9% recorded since the beginning of 2024. On the lending side, rates on new loans to non-financial companies and on disbursements of mortgage loans remained largely unchanged in November, while slight increases emerged from preliminary data for December from the Italian Banking Association (ABI).

Loans

Loans to financial companies increased for the sixth consecutive month in November, accelerating to +1.8% yoy. The dynamic of loads to households also picked up further, to +2.4%, supported by the acceleration in the stock of mortgages to +3.3%, with new disbursements on the rise by 12.6%. Overall, loans to households and businesses grew by 2.1% and, according to preliminary data, accelerated further, to 2.3% at the end of 2025.

Bank Funding

The deposit aggregate continued to grow at a pace of +2.6% in November, while decelerating slightly in December according to preliminary ABI data (to +2.1%). The trend reflected that of household deposits, which stayed at +2.6%, adding monthly savings worth EUR 4.5 billion. Non-financial company deposits increased in the month by almost 19.8 billion, consistent with seasonal trends, at a growth rate of 3.4% yoy. Once again, overnight deposits took the lion's share (+4.5%).

Asset Management

In November, net fund flows were negative due to outflows from money market funds and particularly low inflows to bond funds. The portfolio management flows were also negative, both for institutional mandates and for retail management schemes. For life insurance, new business was up again.

Households' financial assets

The flow of financial assets of households was positive in 3Q25, albeit more contained than in the previous three months. In the quarter, the aggregate of asset management instruments assumed particular importance both in terms of inflows and the increase in outstanding balances.

Focus - Revitalising the securitisation market

Starting from the status of the securitisation market, this section examines the main contents of the European Commission's legislative proposal aimed at revitalising the role of this financial instrument. The importance of an efficient and developed securitisation market in the EU has been the subject of debate in recent years and has been strongly promoted by influential figures (Draghi, Letta, Noyer). This analysis addresses both the main changes proposed to the 2017 Securitisation Regulation, which promote a simplification of the current criteria, and the specific provisions of the Capital Requirement Regulation on prudential treatment, towards an approach more sensitive to the actual risk of the assets. In general terms, the Commission's proposals are a step in the right direction to revitalise the market, although some specific points would benefit from a few adjustments. The proposal is currently being examined by the European Parliament, while the Council of the EU has already reached its position, correcting some discrepancies regarding prudential treatment.

January 2026

Monthly report

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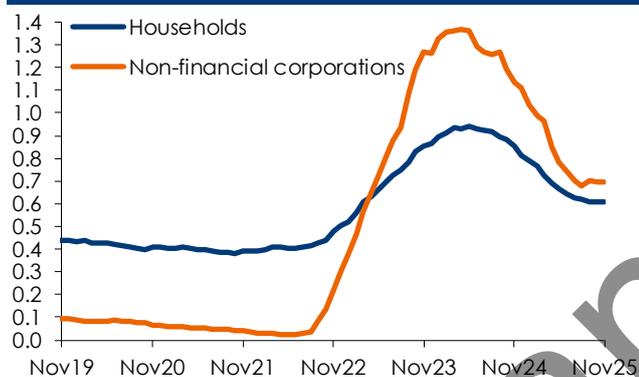
Bank rates remain stable even at the end of 2025

Elisa Coletti

The cost of total funding from customers remained stable also in the last two months of 2025. The rate on the stock of deposits has stayed at the same level of 0.63% since August, and the average rate on new deposits with agreed maturity settled at 2.1% in the last four months of 2025. The rate on bonds has continued to move within the narrow range between 2.8% and 2.9% recorded since the beginning of 2024. On the lending side, rates on new loans to non-financial companies and on disbursements of mortgage loans remained largely unchanged in November, while slight increases emerged from preliminary ABI data for December.

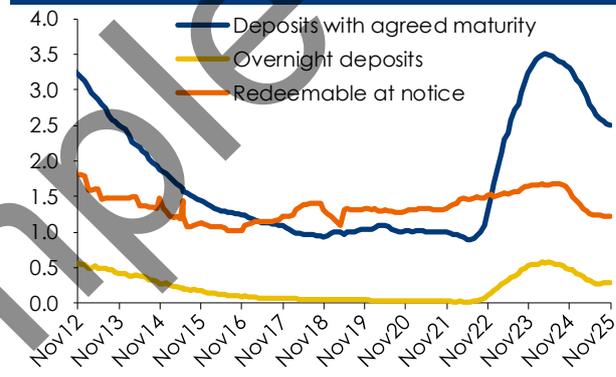
The cost of funding remained essentially stable also in the last two months of 2025. In November, **the average rate on deposits was unchanged at 0.63% for the 4th consecutive month, the level at which it closed the year**, according to ABI estimates. Among the deposit components, **the average rate on overnight deposits stabilised** at 0.28% from September to November, then rising by 1bp mom in December. An **additional reduction in the average rate on the stock of deposits with agreed maturity was observed, although small in size**, in November as in October, amounting to -2bps mom at 2.50%, totalling -1 percentage point in nineteen months.

Deposit rates for households and non-financial companies (%)



Source: Bank of Italy

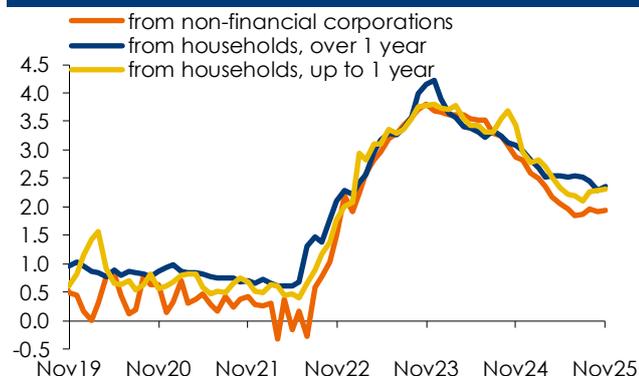
Rates on the main instruments that make up the deposit stock (%)



Source: Bank of Italy

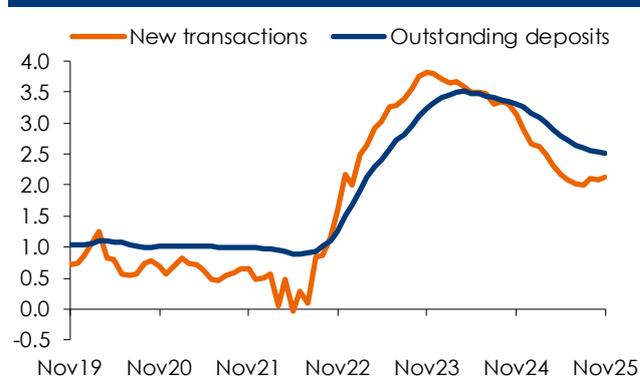
The **rates on new deposits with agreed maturity increased slightly**: the overall average on new household time deposits rose by 3bps mom compared to October, due to increases in both the rate on maturities up to 1 year, which was subject to an upward adjustment of 3bps mom to 2.32%, and the rate applied to deposits with durations over 1 year, which recorded +6bps mom to 2.35%. **A slight increase also affected the interest rate offered to non-financial companies**, by +4bps mom at 1.95%, confirming a **settling at 1.9% in the six months from June to November**. Due to these **slight upward movements, the rate on total new time deposits rose by 4bps mom to 2.12% in November**, followed by another small increase in December of +2bps mom to 2.14%, according to ABI estimates. Essentially, **the overall average rate settled at around 2.1% in the last four months of 2025**.

Rates on new deposits with agreed maturity of households and non-financial companies (%)



Source: Bank of Italy

Rates on new transactions and outstanding deposits with agreed maturity (%)

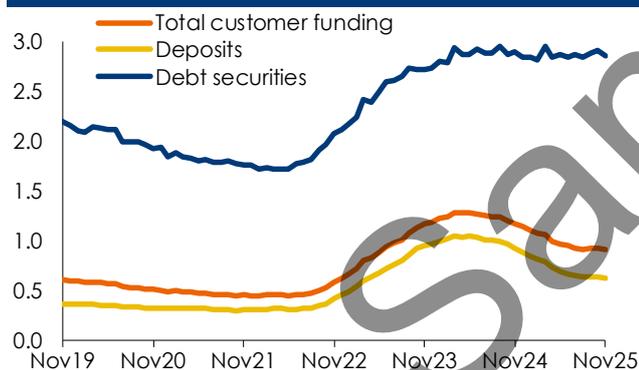


Source: Bank of Italy

The **rate on the stock of bonds** fell again in November, by 6bps mom to 2.85% and by another 2bps mom to 2.83% at the end of 2025, according to ABI estimates, **once again confirming the fluctuation in the range between 2.8% and 2.9% recorded since the beginning of 2024.**

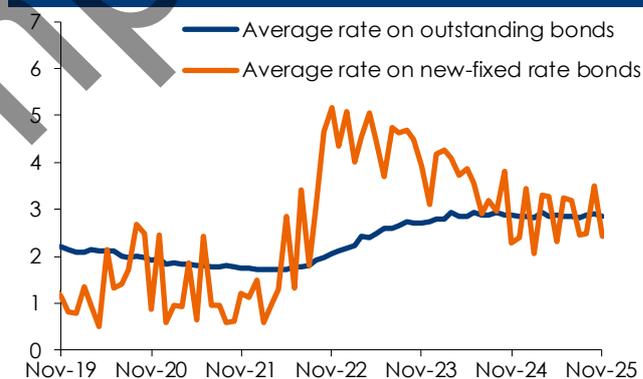
Affected by the downward adjustment of the rate on bonds, **the overall cost of total customer funding** recorded a reduction of 2bps mom to 0.91% in November, with a subsequent stabilisation at the end of the year, confirming a **substantial settlement from August onwards.**

Rates on outstanding funding from customer (%)



Source: Bank of Italy and Intesa Sanpaolo calculations

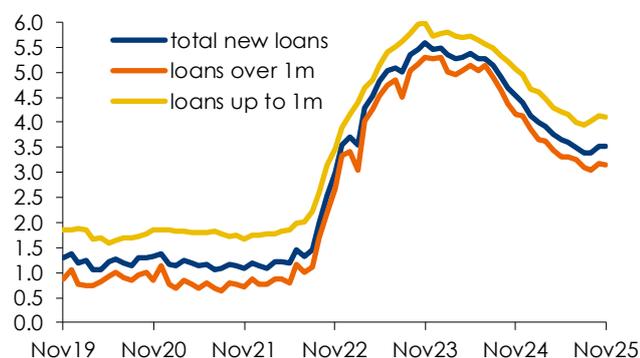
Rates on outstanding bank bonds and new issues (%)



Source: Bank of Italy

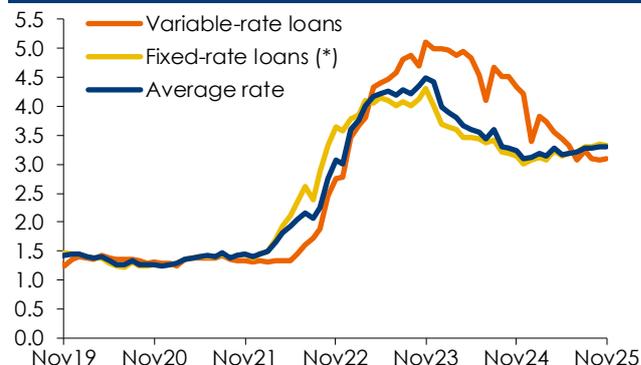
Also, **the rates on new loans to non-financial companies moved little.** In detail, the average rate on amounts over EUR 1M remained unchanged at 3.16%, while the rate on transactions up to EUR 1M fell slightly by 1bp mom to 4.10%, confirming a level higher than the 4.0% recorded on average in 3Q. **As a result, the overall average rate remained approximately stable at 3.52%.** On the other hand, **according to preliminary ABI data, there was a further increase in December, of 12bps to 3.64%.**

Rates on new loans to non-financial companies in Italy (%)



Source: Bank of Italy

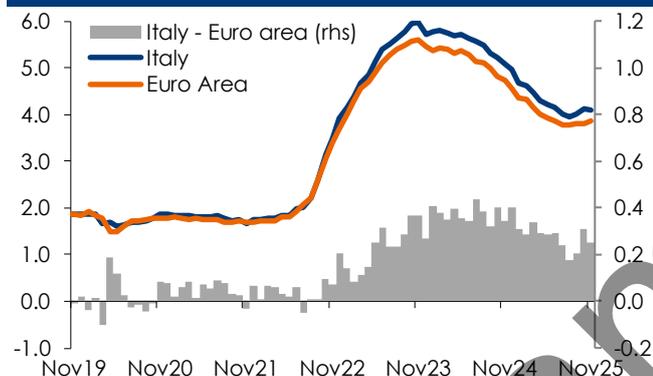
Rates on new loans to households for house purchase (%)



Note: (*) Initial rate fixation period over 10 years.

Source: Bank of Italy

Average rate on new loans of up to 1M to non-financial companies, Italy – Eurozone comparison (%)



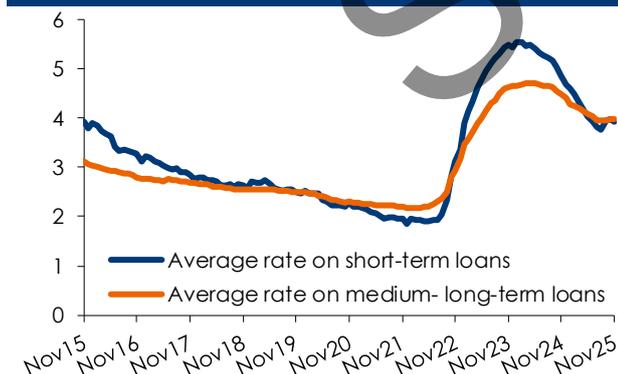
Source: Bank of Italy, ECB and Intesa Sanpaolo calculations

Average rate on new loans of over 1M to non-financial companies, Italy – Eurozone comparison (%)



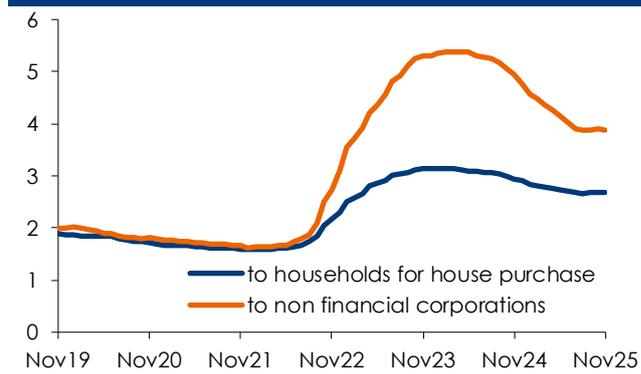
Source: Bank of Italy, ECB and Intesa Sanpaolo calculations

Rates on outstanding loans to households and businesses: comparison between short-term and medium- to long-term



Source: Bank of Italy and Intesa Sanpaolo calculations

Average rates on stocks of loans to households and on those to non-financial companies (%)



Source: Bank of Italy

For the **rates on new loans to households for house purchase**, **November was also a month of settlement**, after the end of the downward cycle. In detail, the floating rate recovered the 2bps lost in October, returning to the September level of 3.10%, while the fixed rate, on the other hand, fell by 3bps mom, absorbing the 4bps increase recorded in October almost entirely, to position itself also close to the September level, at 3.32%. Therefore, **the fixed rate remained higher than the floating rate as already seen in the previous four months**, with a spread between the two

rates of 22bps in November. The **overall average rate, after rising to 3.31% in October, fell marginally (-1bp mom) to 3.30% in November, before climbing back up to 3.37% in December**, according to preliminary ABI data.

The average rate on the stock of loans to households and businesses also showed a stabilising trend, standing at 3.97%, at the same level as in October in both November and December, according to ABI estimates.

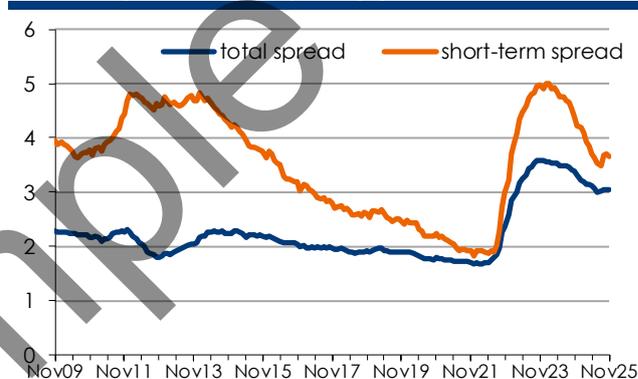
Following the slight decrease in the cost of funding from customers, **the spread between lending and borrowing rates rose slightly by 1bp to 3.06% in November**, at the level of the previous five months. **The contribution of demand deposits also remained stable**: the mark-down between the 1-month Euribor and the rate on overnight deposits was 1.62%, in line with the previous five months. In the second half of the year, limited fluctuations characterised the trend of the mark-up between the average rate on short-term loans and the 1-month Euribor, which fell by 5bps mom to 2.03% in November, a level also close to that of June (2.00%).

Short-term contribution (%) (*)



Note (*): mark-down = 1-month Euribor – average rate on overnight deposits of households and businesses; mark-up = short-term lending rate – 1-month Euribor. Source: Bank of Italy, ECB and Intesa Sanpaolo calculations

Short-term spread and total spread (%)



Source: Bank of Italy and Intesa Sanpaolo calculations

Loans to non-financial companies accelerated to 1.8% in November

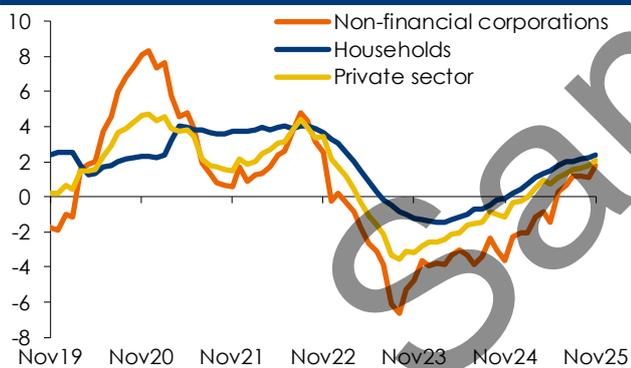
Loans to financial companies increased for the sixth consecutive month in November, accelerating to +1.8% yoy. The dynamic of loads to households also picked up further, to +2.4%, supported by the acceleration in the stock of mortgages to +3.3%, with new disbursements on the rise by 12.6%. Overall, loans to households and businesses grew by 2.1% and, according to preliminary data, accelerated further, to 2.3% at the end of 2025.

Elisa Coletti

Loans to the private sector accelerated in November, growing by 2.1% yoy from 1.8% in October, scoring the most positive change since the end of 2022 after a nine-month recovery from zero in February. The improvement was driven by **loans to non-financial companies, which in November recorded the sixth consecutive increase, accelerating to 1.8% yoy from 1.1% in October** and +1.2% in the two previous months. The dynamic of **loans to households also picked up further, to 2.4% yoy from +2.3% in October**. Initial indications on final 2025 data point to a further strengthening of overall loan growth to households and businesses (to +2.3% from 2.1% in November), while the broader aggregate represented by loans to the private sector increased by 1.6% yoy based on preliminary figures from the Italian Banking Association (ABI).

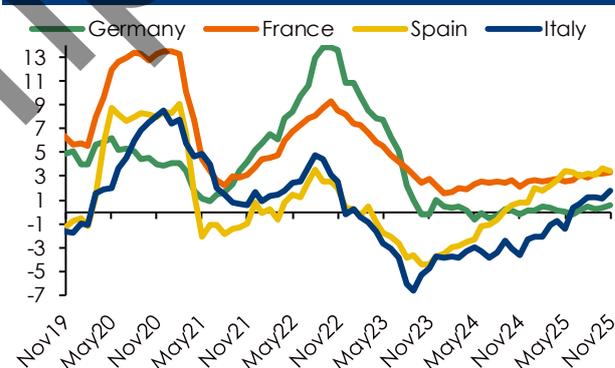
When drawing a comparison at the European level, the growth of **loans to non-financial companies in the euro area improved to +2.8% in November** from 2.6% in October, after increasing by 2.5% in the two previous months. Among the major countries, **Germany also posted a slight recovery**, by +0.6% in November, achieving the best result since the end of 2023, from 0.3% in October. In **France, growth levelled off at 3.3%** from 3.2% in October, **whereas in Spain the annual change slipped to +3.4% from +3.7% in October**, reporting **two figures that were nevertheless stronger** than the average increase of 3.1% in 3Q 2025.

Loans to the private sector resident in Italy, adjusted by securitisations and net of central counterparties (yoy % chg.)



Source: Bank of Italy

Dynamic of loans to non-financial companies in the major Eurozone countries, adjusted by securitisations (yoy % chg.)



Trend of loans to non-financial companies by duration, data not adjusted by securitisations (yoy % chg.)



Source: ECB and Intesa Sanpaolo calculations

Quarterly medium-long-term disbursements for investment in machinery, equipment, means of transport, other goods (yoy % chg.)

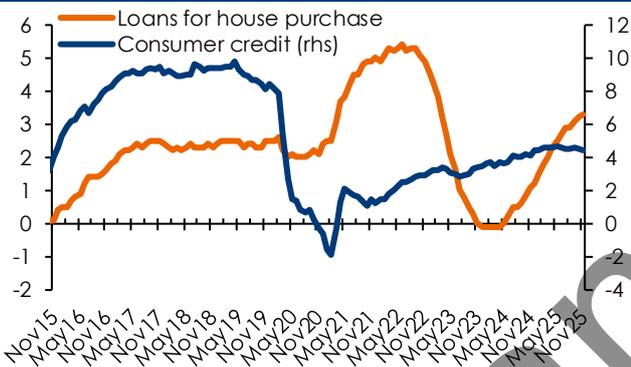


Source: Bank of Italy and Intesa Sanpaolo calculations

The recovery in loans to Italian non-financial companies was confirmed to be fuelled by **medium-long-term financings, that improved further, by 1.6%**, from 1% in October, with volumes in November increasing by EUR 4.4 billion and placing net growth since the beginning of the year at 10.9 billion. In parallel, short-term loans growth continued, at a pace of 3.5% yoy.

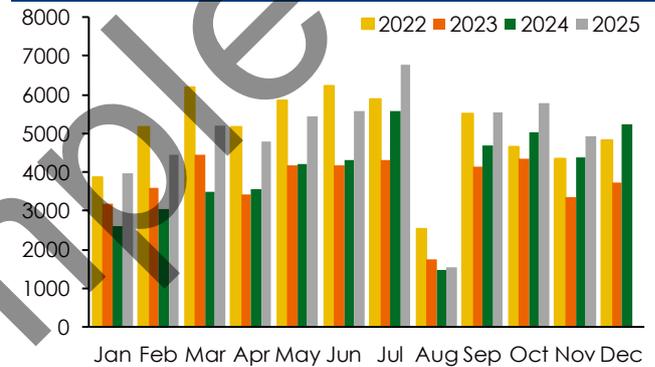
For what concerns credit to households, **loans for home purchases continued to accelerate, with the stock of mortgages reaching 3.3% yoy growth** from 3.2% in October. The change was driven by **disbursements for new mortgage contracts, that continued to increase at double digit rates**, albeit down from +14.9% in October to +12.6% in November, after having recorded +18.4% in September. **Variable-rate mortgages kept recovering in the month**, as they had since mid-2025, more than doubling in November compared to 12 months earlier. Fixed rate mortgages, on the other hand, have declined since last August. The rate differential between fixed and floating rate transactions was in fact favourable for the latter segment for the fifth consecutive month, by 22bps. However, **fixed-rate transactions continued to prevail by far in the month, garnering an 85% share of monthly disbursements**.

Trend of loans to households for home purchases and of consumer credit (yoy % chg. adjusted by securitisations)



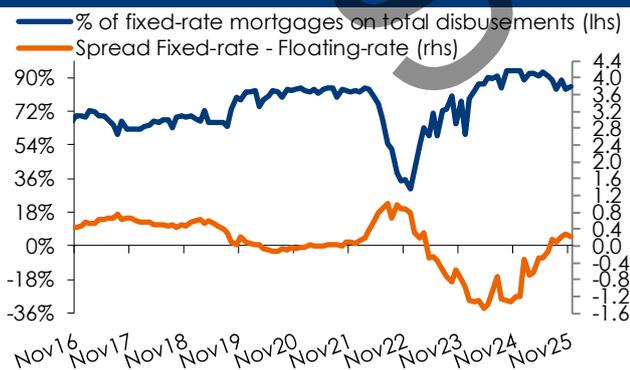
Source: ECB

Monthly flows of new mortgage contracts for home purchases: four-year comparison (EUR Mln)



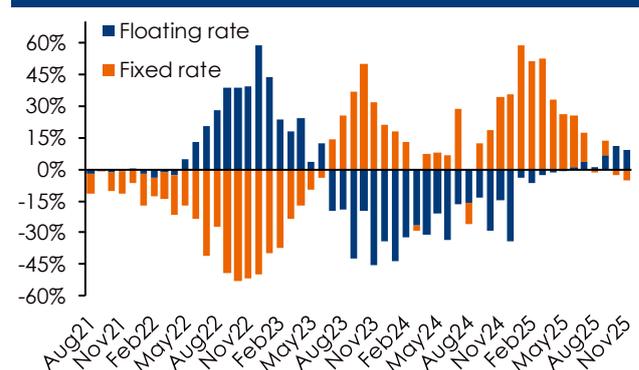
Source: ECB

Disbursement of loans for home purchases: fixed-rate as a percentage of the total, and fixed-floating rate differential



Source: Bank of Italy and Intesa Sanpaolo calculations

Contribution of fixed and floating rate flows to the monthly growth of loans for home purchases (%)



Source: Bank of Italy and Intesa Sanpaolo calculations

Deposit growth confirmed solid

In November, the deposit aggregate continued to grow at a pace of +2.6%, while decelerating slightly in December according to preliminary ABL data (to +2.1%). The trend reflected that of household deposits, which stayed at +2.6%, adding monthly savings worth EUR 4.5 billion. Non-financial company deposits increased in the month by almost 19.8 billion, consistent with seasonal trends, at a growth rate of 3.4% yoy. Once again, overnight deposits took the lion's share (+4.5%).

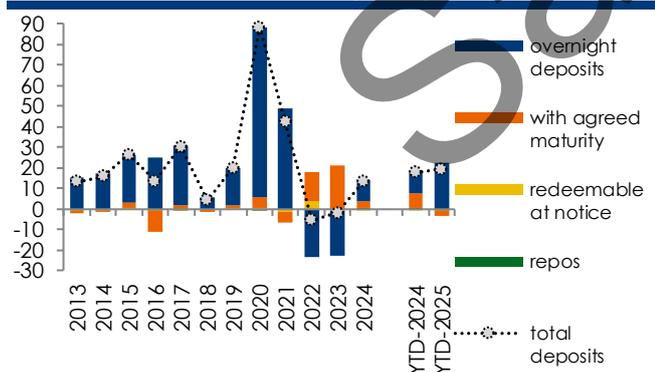
Elisa Coletti

Deposit growth stayed solid: in November, the overall aggregate grew in line with the previous month, by 2.6%, followed by a slight deceleration in December according to preliminary ABL data (to 2.1% from 2.7% in the two previous months, at like-for-like data). Of the two main components, **household deposits kept growing at a rate of 2.6%, adding savings worth EUR 4.5 billion in the month**, after outflows of -5.5 billion in October due to purchases of the sixth "BTP Valore" government bond. **Non-financial company deposits rose in the month by almost 19.8 billion, consistent with seasonal trends and with a growth rate of 3.4%**, down slightly from 3.5% in October.

Cumulated data from January to November 2025 sums up the improvement recorded in the course of last year, with **household deposits rising in the 11-month period by EUR 14.1 billion**, compared to a flat trend in the same period of 2024. **Non-financial company deposits grew by EUR 19.4 billion**, more than in the same period of 2024 (17.7 billion). Overnight deposits took the lion's share, growing by 15.7 billion from households and a hefty 22.5 billion from non-financial companies.

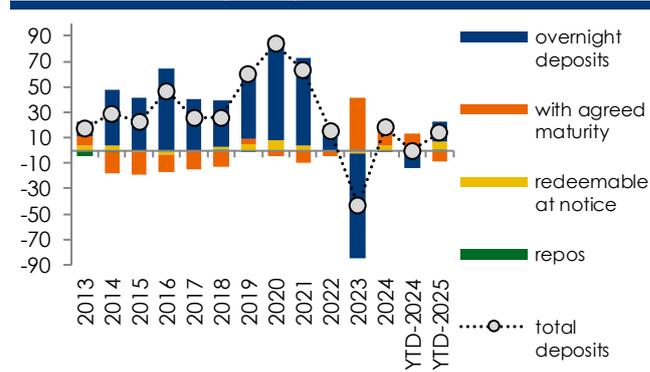
Overall, in November **overnight deposits grew by 4.5%, roughly in line with the October increase of 4.7%** and the average for the five months starting in July, and at a sharper pace than in the first half of the year. **Term deposits** were confirmed on a negative trend and **incurred a double-digit drop** for the third consecutive month, by -10.1% yoy. On a monthly basis, however, flows were positive, as had also been the case in the previous month, by 2.3 billion in the October-November bimester for households and businesses taken together, most of which accounted for by non-financial companies (2.1 billion), with households only contributing 225 million.

Net flows addressed to non-financial company deposits, annual data and first 11 months of 2025-24 (EUR Bn)



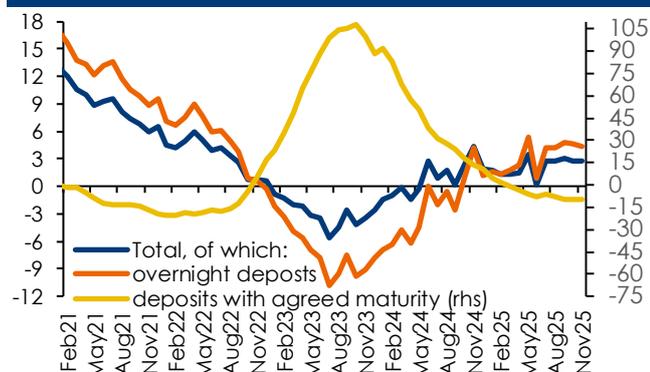
Source: ECB and Intesa Sanpaolo Research Department calculations

Net flows addressed to Household deposits, annual data and first 11 months of 2025-24 (EUR Bn)



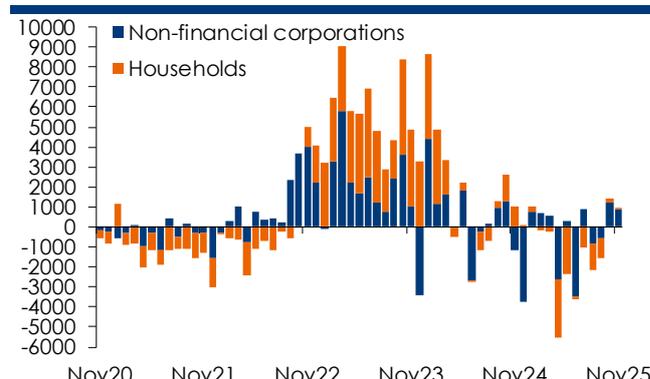
Source: ECB and Intesa Sanpaolo Research Department calculations

Household and business deposits: total and main components (overnight deposits and term deposits, yoy % chg.)



Source: ECB and Intesa Sanpaolo calculations

Monthly flows of term deposits (EUR Mln)



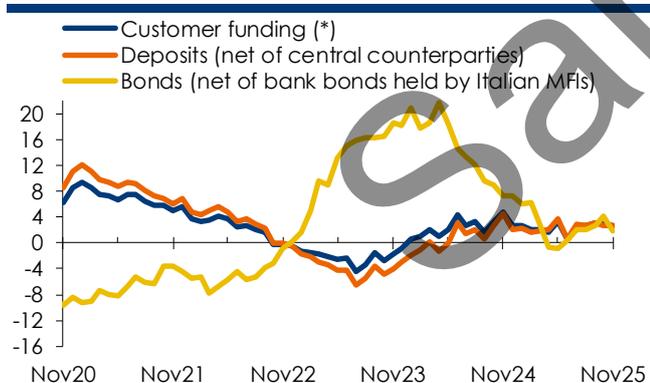
Source: ECB

Bank bonds slowed again, growing by 1.9% yoy in November and, based on preliminary ABI data, by 1.1% in December, from 4.1% in October.

This resulted in a **slight deceleration of total funding from customers, up by 2.6% in November and 2.0% in December**, according to ABI estimates, from 2.9% in October and 3.0% in September.

Total bank funding, on the other hand, accelerated further, to 6.5% yoy in November from 5.7% in October. The trend is still influenced by the **dynamic of deposits held by non-residents in Italy, which surged at a double-digit rate** (+35.6% in November from 19.8% yoy in October), while the contraction of ECB refinancing was confirmed to be easing.

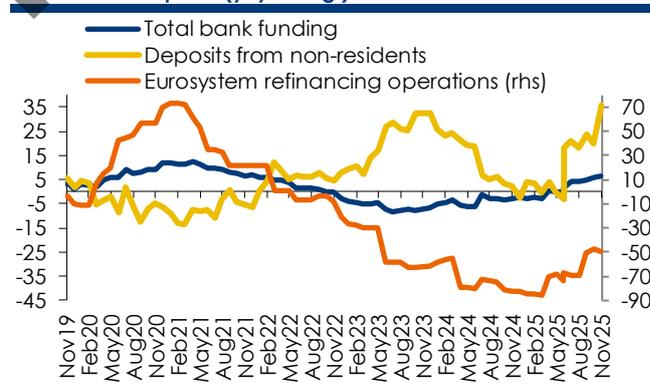
Funding from customers of Italian banks (yoy % chg.) (*)



Note: (*) net of deposits with central counterparties and bonds purchased from Italian MFIs. Total deposits and funding exclude liabilities related to loans sold and not cancelled.

Source: Bank of Italy and Intesa Sanpaolo calculations

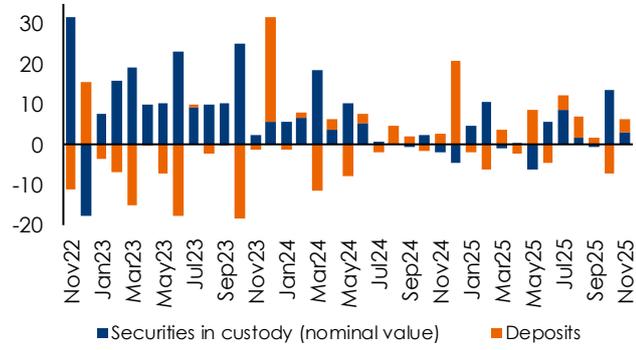
Rate of change in total funding, including ECB refinancing and non-resident deposits (yoy % chg.)



Source: Banca of Italy and Intesa Sanpaolo calculations

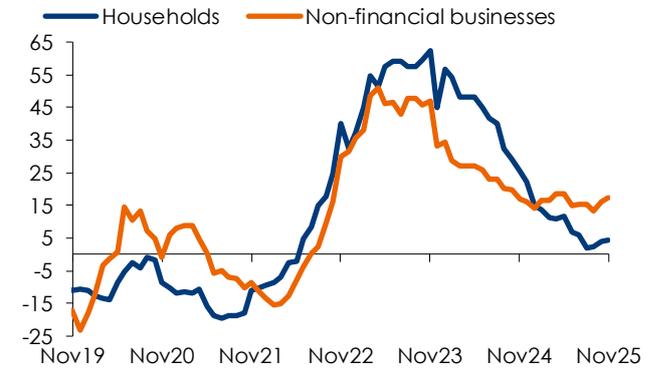
Lastly, November was another positive month in terms of net flows for **assets under administration, as the stock of debt securities held in custody for household and companies grew by 3.9 billion mom**, from 17.4 billion recorded in October as a result of the aforementioned subscription of "BTP Valore" government bonds. In November **EUR 3 billion were accounted for by net investments made by households, with businesses contributing 0.8 billion**. As evidence that **the liquidity of companies is still in good health, debt securities held in custody for them by banks grew between January and November by 19.3 billion**, compared to 16.6 billion in the same period of 2024.

Net monthly flows of deposits and bonds held in custody for consumer households (EUR Bn, nominal value)



Source: Bank of Italy and Intesa Sanpaolo Research Department calculations

Trend of bonds held in custody for households and businesses (yoy % chg.)



Source: Bank of Italy and Intesa Sanpaolo Research Department calculations

Sample

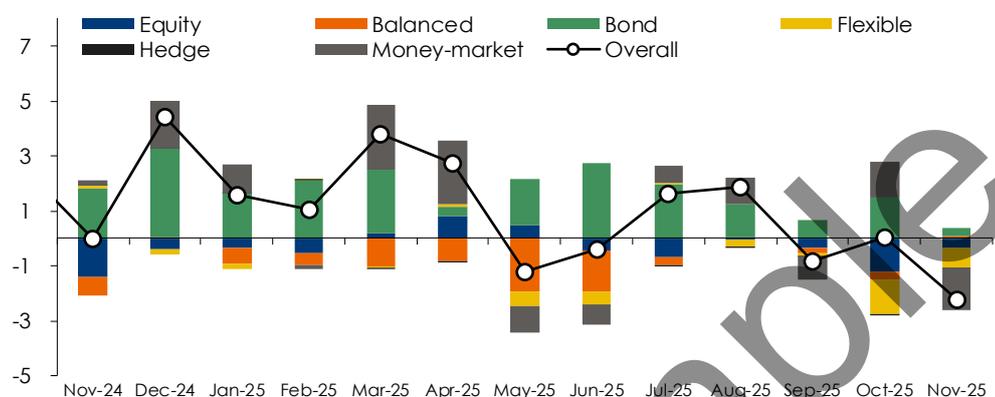
In November, outflows from mutual funds and portfolio management

In November, net fund flows were negative due to outflows from money market funds and particularly low inflows into the bond funds sector. The portfolio management inflows were also negative, both for institutional mandates and for retail management schemes. New life insurance business was up again.

Carol Salvadori

According to data from Assogestioni's Monthly Map of Assets Management¹, **net flows of mutual funds were negative at EUR -2.2Bn in November 2025**, due to outflows from money market (EUR -1.5Bn), flexible (EUR -731M) and equity funds (EUR -351M). The disappointing picture is completed by the inflows to bond funds (EUR 291M), the lowest figure since the same month in 2022, when it was negative (EUR -216M), and balanced funds (EUR 88M).

Mutual funds: breakdown of monthly net flows by category (EUR Bn)



Source: Assogestioni

Portfolio management also recorded **outflows totalling EUR -2.6Bn** in November, attributable both to institutional mandates (EUR -1.4Bn) and retail flows (approx. EUR -1.3Bn).

Portfolio management: breakdown of monthly net flows by customer type (EUR Bn)



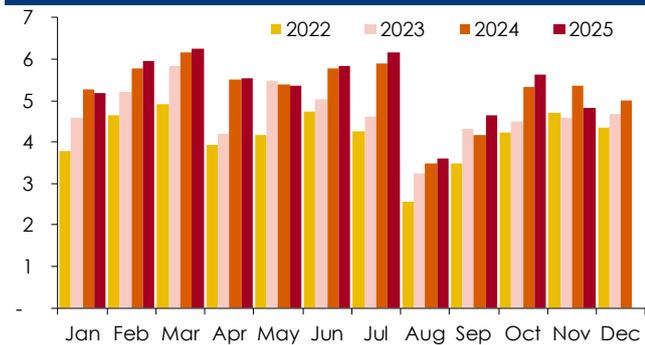
Source: Intesa Sanpaolo Research Department calculations on Assogestioni data

For **life insurance**, **new business totalled around EUR 8.7Bn in November 2025**, up compared to the same month in 2024 (+4% yoy).

¹ The results in the monthly Map are preliminary and anticipate more complete figures published in the corresponding quarterly Map.

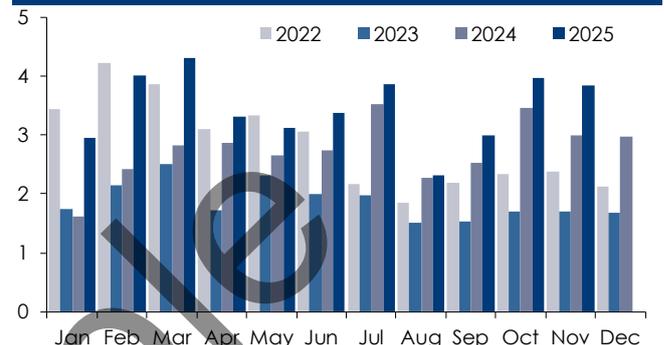
The premiums of traditional policies decreased (around -10% yoy for the aggregate of Classes I and V compared to +8% in the previous month), recording the worst data since April 2022 when a growth phase began that, except for a few months in which minor drops were observed, had been maintained until last October. **The double-digit increase in new business in class III policies continued**, standing at 28.7% yoy in November, with stand-alone policies still growing (+66.5%) compared to November 2024. The comparison between cumulative gross inflows in November 2025 and the same period of the previous year shows double-digit growth for higher financial content policies (+27.5%), while traditional policies recorded limited growth (1.7% yoy), indicating a stabilisation of the segment compared to the very positive increases in 2024.

Life insurance premiums: new monthly business, class I and V (Italian, non-EU and EU businesses) (EUR Bn)



Source: Intesa Sanpaolo Research Department calculations on ANIA figures

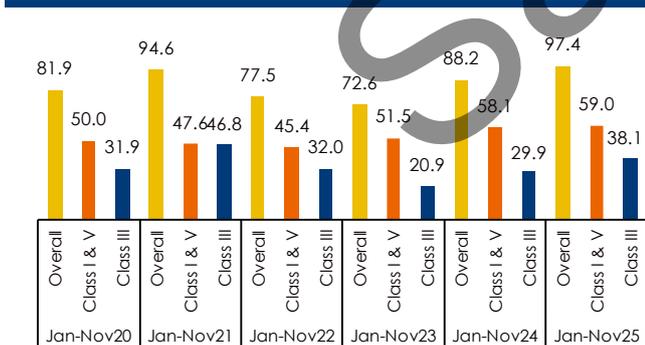
Life insurance premiums: new monthly business, class III (Italian, non-EU and EU businesses) (EUR Bn)



Source: Intesa Sanpaolo Research Department calculations on ANIA figures

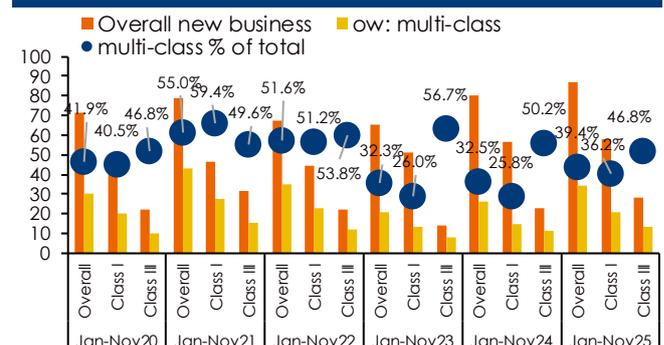
Looking at **multi-line policies**, relating to the sample of Italian and non-EU businesses only, **new business totalled around EUR 2.8Bn in November**, changed only slightly (+0.7% yoy) compared to the corresponding figure for 2024. Of the total for hybrid products, EUR 1.7Bn relates to class I policies and EUR 1Bn to class III policies, with premiums continuing to increase for the former (21.7% yoy), while double-digit negative changes continued for the unit-linked component (-21.5%).

Life insurance premiums: new business, class I and V and class III (Italian, non-EU and EU businesses) (EUR Bn)



Source: Intesa Sanpaolo Research Department calculations on ANIA figures

Life insurance premiums (Italian and non-EU businesses): multi-line component and total policies purchased by class (EUR Bn)



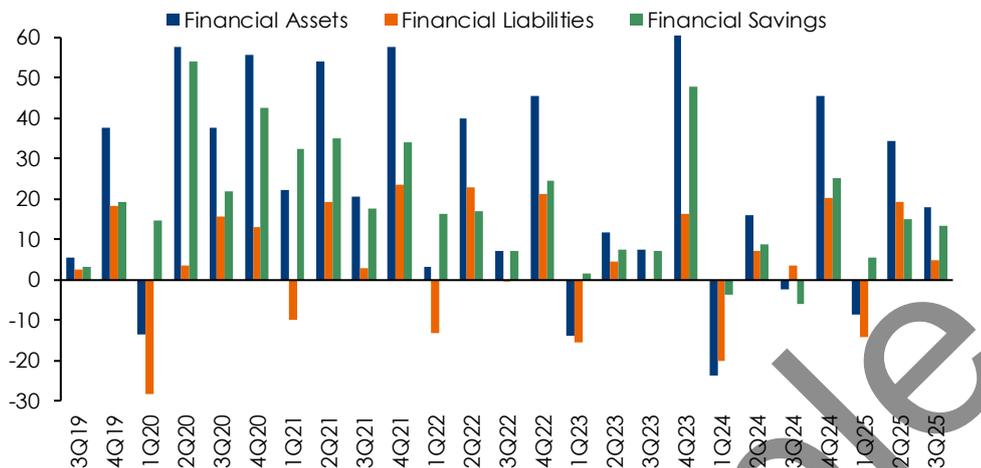
Source: Intesa Sanpaolo Research Department calculations on ANIA figures

Positive flow of households' financial assets in 3Q25

Data from the latest publication of the Bank of Italy's Financial Accounts shows that the flow of financial assets of households was positive in 3Q25, albeit more contained than in the previous three months. In the quarter, the aggregate of asset management instruments assumed particular importance both in terms of inflows and the increase in outstanding balances.

Carol Salvadori

Net flows of financial assets and liabilities and financial savings of Italian households (EUR Bn)



Source: Bank of Italy and Intesa Sanpaolo calculations

In 3Q25, the flow of financial assets of Italian households was positive at EUR 18Bn, after the significant inflows recorded in 2Q25 (EUR 34.4Bn), marking a change in direction compared to the same period of the previous year, when outflows of EUR -2.5Bn were recorded.

The result was mainly driven by bank deposits and securities (EUR 13.4Bn, of which EUR 12Bn were deposits alone), technical reserves (EUR 13Bn) and mutual funds (EUR 9.2Bn). Government bonds recorded a net inflow of EUR 4Bn, significantly better than the EUR 800M of the previous three months, and the negative net flows (EUR -600M) of 3Q24. Significant outflows characterised net investments in equity and shares² for ca. EUR -16Bn, after the opposite result during the previous quarter (EUR 18Bn), while remaining nonetheless in line with the same period of the previous year (EUR -13Bn).

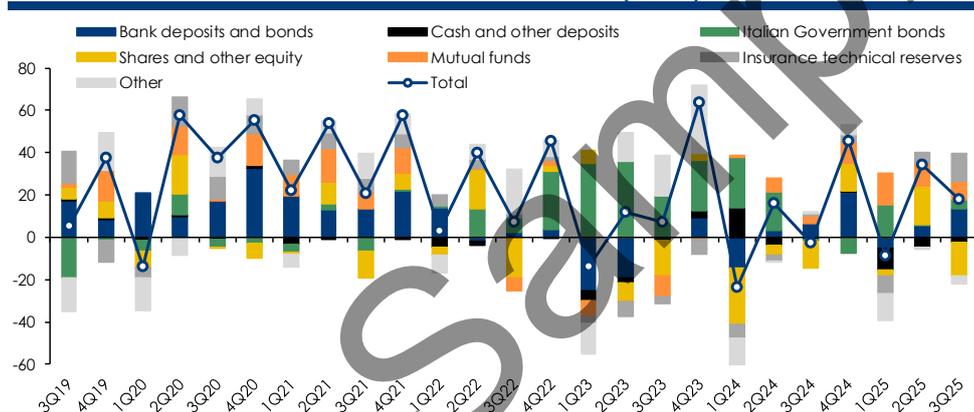
² Caution is advised regarding the actual amount, as it is an estimated residual item and subject to revision.

Financial assets and liabilities of Italian households – Net flows (EUR Bn)

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Bank deposits and bonds	-0.5	9.3	-14.7	3.0	6.4	21.3	-5.2	5.3	13.4
- of which: deposits	-3.4	4.7	-21.1	3.5	1.3	22.7	-4.4	8.5	12.0
- of which: bonds	2.8	4.6	6.5	-0.5	5.1	-1.5	-0.8	-3.2	1.4
Currency and other deposits	-1.0	3.1	13.9	-3.5	-1.1	0.5	-10.2	-4.8	-2.2
Italian government bonds	19.7	24.1	23.9	18.2	-0.6	-7.6	15.6	0.8	4.1
Other bonds	5.4	4.9	3.1	5.6	0.2	1.6	-0.6	-2.9	-4.7
- of which: Italian	0.1	-0.7	0.6	2.3	-2.3	0.7	-0.7	-4.1	-3.5
- of which: from rest of the world	5.3	5.5	2.5	3.3	2.6	0.8	0.1	1.2	-1.3
Derivatives	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	-16.9	3.0	-26.6	-5.1	-12.9	13.2	-2.8	18.1	-15.8
Mutual funds	-9.9	-0.8	0.9	6.7	3.8	10.4	14.9	10.8	9.2
Insurance technical reserves	-3.1	-7.0	-6.4	-2.5	1.0	3.1	-8.6	5.1	13.1
Other accounts	13.6	27.5	-17.9	-6.4	0.9	3.2	-11.8	1.9	1.0
Total assets	7.3	63.9	-23.7	16.1	-2.5	45.4	-8.7	34.4	17.9
Short-term loans	-1.1	0.0	-1.8	-1.5	0.3	0.7	0.0	-0.2	0.2
Medium/long-term loans	0.5	0.0	-0.8	1.7	1.2	5.1	2.7	6.0	4.4
Insurance technical reserves	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other accounts	0.7	16.0	-17.5	6.8	2.1	14.3	-16.9	13.4	0.1
Total liabilities	0.2	16.2	-19.9	7.2	3.7	20.2	-14.1	19.4	4.7
Financial savings	7.1	47.7	-3.7	8.9	-6.1	25.2	5.4	15.0	13.2

Source: Intesa Sanpaolo Research Department calculations based on Bank of Italy figures

Breakdown of net flows of financial assets of Italian households (EUR Bn)



Source: Bank of Italy and Intesa Sanpaolo calculations

Among financial liabilities, both medium/long-term loans (EUR 4.4Bn) and, albeit less significantly, short-term loans (EUR 200M in the quarter) increased.

Moving on to outstanding figures, the stock of financial assets held by Italian households grew by 2% compared to 2Q25 and by 4.6% yoy, reaching EUR 6.3Tn.

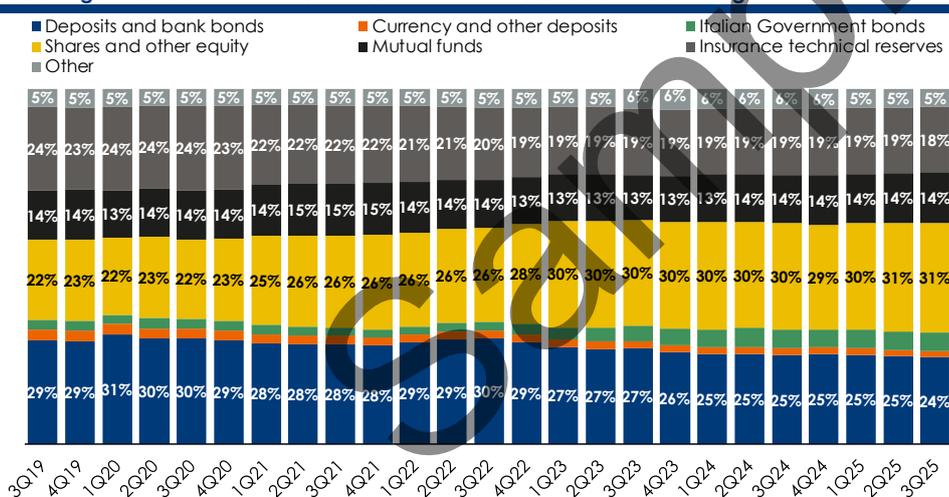
Mutual funds (+3.6% qoq), equities and shares (+3.4% qoq), and technical reserves (+1.5% qoq) showed above-average increases, partly thanks to the positive performance of the markets, while government bonds and bank deposits and bonds grew just under 1% qoq (+0.9% and +0.8%, respectively, at the end of June).

Financial assets and liabilities of Italian households – Outstanding (EUR Bn)

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	% qoq ch.	% yoy ch.
Bank deposits and bonds	1,494	1,504	1,490	1,494	1,499	1,519	1,513	1,521	1,532	0.8	2.2
- of which: deposits	1,455	1,459	1,438	1,442	1,443	1,466	1,461	1,470	1,482	0.8	2.7
- of which: bonds	40	45	51	52	56	53	52	51	50	-1.0	-10.8
Currency and other deposits	113	114	117	115	114	114	106	104	102	-1.1	-10.3
Italian government bonds	239	273	298	313	318	310	322	327	330	0.9	3.8
Other bonds	106	117	120	126	129	132	130	127	123	-2.7	-4.1
- of which: Italian	14	17	17	20	18	19	19	15	13	-18.2	-31.1
- of which: from rest of the world	91	100	103	106	110	112	111	111	111	-0.6	0.3
Derivatives	9	9	9	10	10	10	11	11	12	4.1	11.9
Shares and other equity	1,636	1,736	1,783	1,746	1,795	1,759	1,799	1,875	1,939	3.4	8.1
Mutual funds	708	749	779	794	819	841	835	858	888	3.6	8.5
Insurance technical reserves	1,039	1,085	1,095	1,090	1,118	1,130	1,121	1,138	1,155	1.5	3.3
Other accounts	191	218	200	194	195	198	186	188	189	0.5	-3.0
Total assets	5,534	5,807	5,891	5,882	5,996	6,013	6,024	6,148	6,271	2.0	4.6
Short-term loans	44	44	42	41	41	42	42	42	42	0.3	0.8
Medium/long-term loans	748	747	744	745	746	749	751	757	760	0.4	1.9
Insurance technical reserves	39	39	39	39	40	40	40	40	40	0.3	1.1
Other accounts	189	205	188	194	197	211	194	208	208	0.0	5.6
Total liabilities	1,020	1,035	1,013	1,021	1,024	1,042	1,028	1,046	1,050	0.4	2.6
Financial wealth	4,514	4,772	4,878	4,861	4,973	4,971	4,996	5,101	5,221	2.3	5.0

Source: Intesa Sanpaolo Research Department calculations based on Bank of Italy figures

Percentage breakdown of financial assets of Italian households - Outstanding

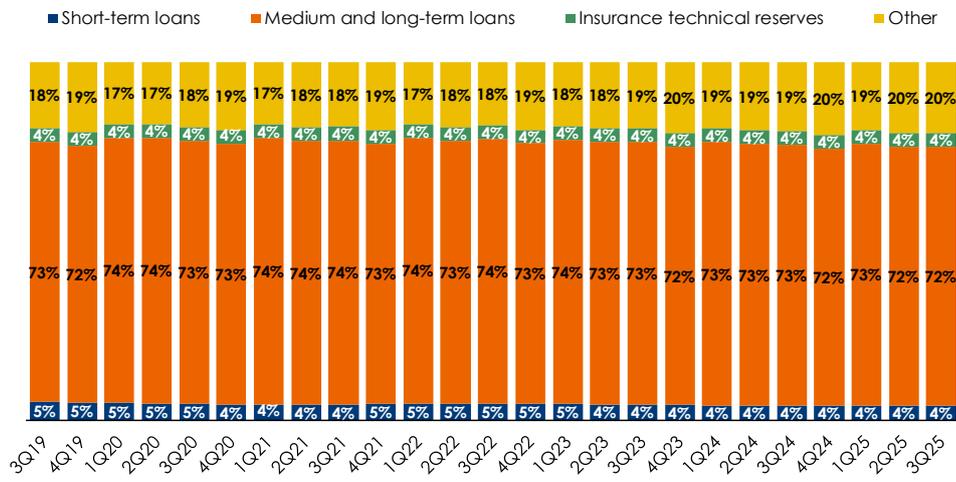


Source: Bank of Italy and Intesa Sanpaolo calculations

With reference to financial liabilities, the stock increased by +0.4% qoq, remaining at around EUR 1Tn. Changes of a similar magnitude also characterised the outstanding loans of medium/long-term loans (+0.4% qoq) and short-term loans (+0.3% qoq).

Net financial wealth of households, obtained as the difference between assets and liabilities, stood at EUR 5.2Tn in September 2025, up +2.3% mom compared to the June figure.

Percentage breakdown of financial liabilities of Italian households - Outstanding



Source: Bank of Italy and Intesa Sanpaolo calculations

Sample

Revitalising the securitisation market

State of play and initial reflections on the European Commission's legislative proposal

Stefano Patruño

"To increase financing capacity of the banking sector, the EU should aim to revive securitisation and complete the Banking Union", says Mario Draghi in his report on EU competitiveness³. This comes as no surprise: when he was president of the ECB, Draghi repeatedly urged European policymakers to revitalise the securitisation market in order to unlock new financing for the economy and help promote EU capital markets. Similar statements can also be found in the Letta report⁴ on the EU single market and, in greater detail, in the Noyer report focusing on capital markets⁵.

On 17 June 2025, the European Commission published a proposal to amend specific provisions of the securitisation framework (dating back to 2017, subsequently revised in some parts), consisting of the Securitisation Regulation and the Capital Requirements Regulation⁶. In addition, two further legislative measures will complete the regulatory framework on securitisation: the prudential treatment for insurance companies acting as investors in asset-backed securities (ABS), and the revision of the LCR Delegated Act (Liquidity Coverage Requirement⁷). The framework, as well as market developments, have been scrutinised over the years by regulators and supervisors. In this regard, we would like to highlight the report by the ESAs (European Supervisory Authorities EBA, ESMA and EIOPA) of 12 December 2022⁸, which addresses securitisation prudential treatment and suggests some improvements. Over the years, the European banking system has called for a review of the framework, which is considered overly conservative and discouraging for both originator banks and investors.

In this analysis, after an introduction on the function of this financial instrument, we will address the state of the securitisation market and the content of the European Commission's legislative proposal, offering some reflections on the matter. Finally, we will highlight the legislative process as updated at the time of publication.

1. Introduction

It is common knowledge that securitisations⁹ played a role in triggering the 2007-08 financial crisis (GFC) in the US and then, in a cascade effect, in Europe and the rest of the world. At the time,

³ [The Future of European competitiveness](#), Mario Draghi, September 2024. Part A, Chapter 5. Financing investments.

⁴ [Much more than a market](#), Enrico Letta, April 2024: "Securitisation acts as a unique link between credit and capital markets. In this sense, the securitisation market offers significant potential (...). Therefore we advocate for reforms in the European securitisation framework to enhance its accessibility and effectiveness". Section A, Single market to finance strategic goals.

⁵ [Developing European Capital Markets to finance the future – Proposals for a Savings and Investments Union](#), Christian Noyer, April 2024.

⁶ [Securitisation Regulation](#) (SecReg), Regulation 2017/2402 and [Capital Requirements Regulation \(CRR\)](#), Regulation 675/2013, which regulates prudential requirements for banks.

⁷ While the Delegated Act is expected to be published following the completion of the legislative process on CRR and SecReg, the amendments to Solvency II for insurance companies, following a public consultation held in the Summer of 2025, were published on 29 October 2025 and are expected to enter into force in January 2027. The rules are aimed at reducing the Solvency II requirements for insurance companies that have withdrawn from the securitisation market over the years.

⁸ https://www.eiopa.europa.eu/publications/joint-committee-advice-review-securitisation-prudential-framework_en

⁹ Through securitisation, a portfolio of loans is sold without recourse to a special purpose vehicle (SPV), which finances the purchase by issuing securities, divided into various tranches with different yields and different seniority in repayment (senior, mezzanine and junior tranches). The repayment of the securities and the payment of the related interest are based on the collections made on the portfolio of loans used as collateral. The investors have a recourse only on the transferred portfolio and not on the originator bank. Losses on the loans are absorbed by the junior tranche and, subsequently, in the event of insufficiency, by any mezzanine

especially in the US, a different financial model was in place than the current one: banks granted loans that were then sold to special purpose vehicles (SPVs) and subsequently securitised (the so-called originate-to-distribute model), deleveraging their balance sheets from credit risk. In addition, transactions based on real estate loans granted without following the best credit standards (known as sub-prime or non-conforming mortgages in the UK) were widespread, especially in the US. The market was typically characterised by complex, non-standardised and sometimes opaque transactions based on various types of assets. In addition to traditional asset classes – mortgages, leases, consumer credit, car loans, trade receivables – less traditional instruments were also used (e.g. receivables arising from royalties for cultural/sporting events, securitisations of tranches themselves derived from securitisations, known as re-securitisations). It was possible to repackage securitisation securities into new securitisations. In addition, excessive importance was attached to rating agencies' assessment, which were considered the only reference for investors, without generally carrying out their own analysis of the structure of the transactions. On the basis of these assumptions, when the property bubble that kept asset values high burst, the financial markets (which, in fact, supported this bubble) collapsed and produced a domino effect at international level.

It is true, as many argue, that even at the time of the GFC, the financial reality in the EU was substantially different from that in the US: securitisations were generally more robust and institutions applied stricter credit standards, so much so that few transactions in the EU actually defaulted. Italy was among the most active EU countries and boasted one of the largest securitisation markets¹⁰. Despite the structural differences in European securitisation, the latter was nevertheless subject to stigma from investors and authorities for years.

The response to the challenges of the GFC at the Basel Committee level with regard to securitisations addressed several aspects, including: the introduction of more stringent prudential requirements; the replacement of the originate-to-distribute model; less reliance on the external judgement of rating agencies; the introduction of new rules, including a ban on re-securitisation, an obligation for the originator to retain exposure in the securitised portfolio (the so-called retention rule), and the introduction of guidelines for structuring simple and transparent transactions in order to promote standardisation and restore market confidence.

In 2017, the EU therefore adopted a particularly stringent framework with the aim of eliminating the stigma that had arisen in the perception of investors and authorities, restoring confidence and stimulating the market through greater robustness and transparency. The category of STS (Simple Transparent and Standardised) transactions was created, which, based on criteria of simplicity, transparency and standardisation, benefit from preferential prudential treatment, making them more attractive to bank investors. The new rules have consolidated the criterion of non-neutrality, according to which the total capital requirements for securitisation assets must in any case be higher than the requirements that would apply to the same portfolio in the absence of securitisation¹¹. The supervisory system has also been reviewed and regulated in a comprehensive manner. We note that in 2020, in the context of the pandemic, the European Commission published a proposal on capital markets, which was subsequently approved and

tranche, before being reflected in the senior tranches. Unlike so-called traditional transactions, which involve the true sale of loans, synthetic transactions (also known as on-balance sheet transactions), which we will discuss later in this article, require the loans to continue to appear on the originator's balance sheet, but the first losses (through the junior tranche) are covered by a specialised third-party investor. In this way, the originator bank achieves an effective reduction in the credit risks of its portfolio.

¹⁰ Securitisation was introduced in Italy in 1999 with Law 130, which has been amended several times over the years. Even before 1999, however, some securitisation transactions had been carried out under the factoring legal framework.

¹¹ For further information on the non-neutrality criterion, see paragraph 4 below.

entered into force on 9 April 2021¹², which, inter alia, amended the CRR - recalibrating the prudential treatment of securitisations of non-performing exposures (NPEs) - and the Securitisation Regulation, extending the STS label to synthetic transactions, which are considered particularly important for corporate financing.

2. Status of the market

Securitisations remain one of the instruments available to banks for medium-long-term funding, both for issuances on the market and for those subscribed by the originators themselves (so-called retained transactions), to be used for refinancing with the Eurosystem or for repos with private counterparties. Before the GFC, the volumes of retained transactions were more limited and the issued securities were normally placed with investors. A few years after the framework came into force (2019), however, we can observe that the securitisation market in the EU has not recovered and has not returned to the levels of the first decade of the 2000s¹³. As an order of magnitude, in June 2025 the volume of European securitisations (EU and UK) amounted to EUR 1,253.4 billion¹⁴.

However, 2024 and 2025 were positive years for securitisation issuances. As noted by Standard&Poor's¹⁵, transactions placed on the market grew by 12% in the last year (to a total of around EUR 157 billion, including the United Kingdom). The agency forecasts a level of around EUR 160 billion for 2026, highlighting the growing number of both transactions and originators. Furthermore, according to the agency, while securitisations originating from non-bank originators are dominant, the participation of banks is growing, due to a number of factors related to funding (wholesale funding versus customer deposits) and to the active management of their balance sheet.

Overall, considering the medium term, securitisations remain a financial tool used by certain EU Member States only and have not spread to Eastern Europe or the Baltic countries, and only to a limited extent to the Scandinavian countries. Furthermore, the incidence of STS transactions has remained limited (EUR 66.5 billion issued in Europe in 2024) and, to date, still accounts for less than half of total outstanding transactions¹⁶. Finally, issuances remain almost equally split between those placed on the market and retained transactions¹⁷.

¹² CMRP, Capital Markets Recovery Package.

¹³ ESMA reports that the European securitisation market amounted to approximately EUR 2 trillion in 2010. See 'The EU securitisation market – an overview', ESMA, 21 September 2023.

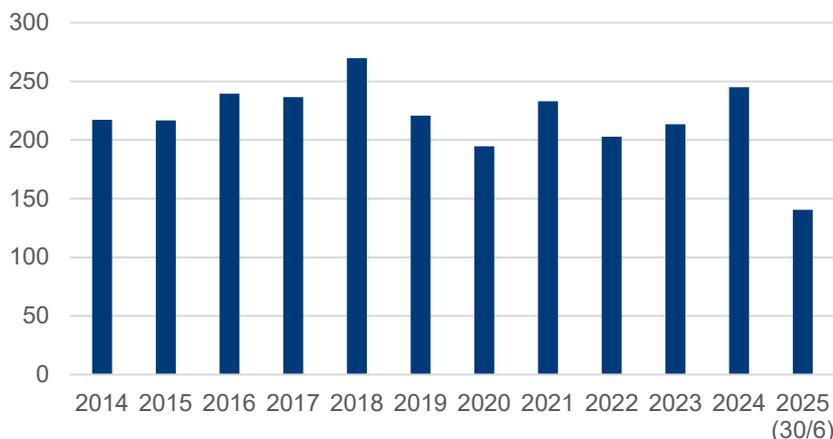
¹⁴ Source: AFME, Association for Financial Markets in Europe.

¹⁵ S&P Global, 'European Structured Finance Outlook 2026', 14 January 2026.

¹⁶ STS issues publicly placed in 2024: EUR 50.8 billion; including the UK, EUR 66.5 billion. Source: AFME.

¹⁷ In 2024, retained issuances accounted for 41% of the total. The figure for June 2025 is 45%. Source: AFME.

Total securitisation issuances in Europe (EUR billion)



Note: the data includes all issuances (placed on the market and retained, including UK issues).

Source: AFME

In terms of asset classes, the largest share is accounted for by RMBS (Residential Mortgage-Backed Securities), which represent almost half of the total outstanding in June 2025. Other significant asset classes are consumer loans (7.9% of the total), SME loans (8.9%) and auto loans (6%). Over 22% consists of collateralised loan/debt obligations, which are more complex products that do not meet STS criteria. Finally, it should be noted that ESG issuances in Europe represent a marginal share of the total: in the year with the highest issuance, 2021, the issued amount did not reach EUR 10 billion, while in 2024 it was just over EUR 5 billion¹⁸.

There are many reasons for the market's failure to recover, and these can be found on both the supply and demand. The greater complexity of the criteria for building portfolios and structuring transactions (particularly STS but also non-STS), the particularly stringent capital requirements, the cumbersome due diligence obligations for investors and disclosure obligations for issuers, have reduced the attractiveness of such transactions. Investors are mainly banks, asset managers, funds and, to a limited extent, insurance companies¹⁹.

While in the US the securitisation market has recovered quickly²⁰, thanks in part to the action of government agencies that provide a public guarantee on the securities issued (e.g. Freddy Mac, Fanny Mae), in the EU banks have directed their medium-long-term collateralised funding towards covered bonds²¹ - also leveraging on the long-standing structural presence of this instrument in some European countries (including Germany and Denmark, followed in more recent years by France and Spain), which has proven particularly resilient over the decades, even during the GFC. Italy adopted a specific legislation in 2007²².

¹⁸ Source: AFME.

¹⁹ Investments in ABS securities currently account for around 1% of investments made by insurance companies, whereas previously they ensured around 15% of orders (source: S&P Global, 'Will Solvency II Changes Unlock Securitisation For EU Insurers?', 8 December 2025).

²⁰ By way of comparison, issuances placed in the US in 2024 amount to EUR 1,548.4 billion, compared with EUR 100 billion in the EU (EUR 143 billion including the United Kingdom). Source: AFME. For 2025, as mentioned above, S&P reports issues placed in Europe totalling EUR 157 billion.

²¹ Unlike securitisations, where investors have a recourse to the securitised portfolio only, covered bonds are issued directly by banks and provide for a dual recourse: to the bank's assets and, in the event of insufficiency, to the collateral portfolio.

²² In Italy, these issuances are regulated by the 2007 amendment to Law 130/1999 on securitisation.

At present, the covered bond market in the EU is significantly larger than the securitisation market: in the EU alone, the stock of securities exceeds EUR 2.5 trillion (the Italian market was worth EUR 161 billion in 2024, while the global market was worth EUR 3.311 trillion). Issuances in the EU in 2024 amounted to EUR 410 billion (approximately EUR 31 billion issued by Italian banks)²³. Certainly, the two collateralised finance instruments, covered bonds and securitisations, are not interchangeable but, on the contrary, are complementary. We will not dwell on the complementary nature of these instruments in this context²⁴ but we would like to point out that in many cases banks (especially large ones) choose to allocate the largest share of their mortgage portfolios as collateral for covered bond programmes rather than for securitisation transactions.

In Italy, we saw securitisation issues totalling EUR 17.5 billion in the period 2024-25, considering both banks and financial institutions (established pursuant to Article 106 of the Italian Consolidated Banking Act). The predominant asset classes are car loans, consumer loans and residential mortgage-backed securities (RMBS)²⁵. The stock issued by Italian banks at the end of June 2025 amounted to EUR 119.5 billion, representing 11.6% of total EU issuances (excluding the United Kingdom, which alone accounts for almost double the amount issued by Italy²⁶).

In recent years, the EU has also seen significant growth in synthetic SRT (Significant Risk Transfer) securitisation transactions, through which banks retain assets on their balance sheets (thus without true sale) but transfer the credit risk to specialised investors who invest in the junior tranche, while the originator complies with the retention requirement (typically through investment in the senior tranche).

Synthetic securitisations in the EU in 2024 amounted to EUR 152 billion (up from EUR 111 billion in 2023). The portfolios covered are mainly corporate and SME, i.e. asset classes with greater regulatory benefits in terms of credit risk treatment than consumer products. In the period 2016-24, transactions in the EU involved total portfolios at origination of EUR 766 billion (EUR 152 billion in 2024 alone), with risk coverage on the protected tranches amounting overall to approximately 7.6%²⁷.

The widespread use of SRT transactions therefore allows banks to actively manage the credit risk of their portfolios and frees-up space for potential new lending. Such market development has also been encouraged by EU legislators, who introduced STS characteristics for synthetic transactions into the Securitisation Regulation in 2020. According to the International Association of Credit Portfolio Managers (IACPM), approximately 50% of on-balance sheet transactions are currently STS-labelled. The trend of the EU securitisation market is therefore two-fold: while *true* sale transactions have shown no signs of recovery so far, synthetic transactions are increasing year on year. European Union synthetic transactions, which are growing steadily (+37% in 2024 compared to the previous year), account for more than half of global transactions²⁸, and Italy is among the most active EU countries²⁹.

²³ Source: European Covered Bond Council, Fact Book 2025.

²⁴ To simplify, we should mention that securitisation is not just a pure funding tool, as it can also help to free-up regulatory capital. The two instruments are also aimed at different categories of investors. As regards collateral asset classes, covered bonds can only be collateralised by mortgage loans or public assets, while securitisations can encompass a variety of receivables, as mentioned above.

²⁵ Intesa Sanpaolo calculations updated as of November 2025.

²⁶ The outstanding amount issued by Italian banks has decreased over the years: in 2015, outstanding volumes amounted to EUR 146.6 billion. Source: AFME.

²⁷ Data are from IACPM (International Association of Credit Portfolio Managers), Global SRT Bank 2016-2024 and insurance survey results.

²⁸ From 2016 to 2024, transactions worth EUR 370 billion in assets were carried out in the EU, covered by EUR 32 billion in terms of first loss or mezzanine tranches. Source: IACPM, news release 22 July 2025.

²⁹ According to ECB data contained in Occasional Paper Series No. 23 - The European Significant Risk Transfer Market, 2023 by the European Systemic Risk Board, in 2022 Italy, with transactions worth over EUR 22 billion, ranked second in the EU after France (over EUR 55 billion) and ahead of Spain and Germany.

3. The Commission's legislative proposal

The European Commission's (EC) objective is to increase the number of EU players operating in the securitisation market and to allow the use of this financial technique throughout the Union, given that, at present, transactions remain limited to a small number of countries (including Italy, France, the Netherlands, Spain and Germany).

The proposal, therefore, contains different measures on both regulations. These changes must be considered as a whole (the EC refers to them as a package), as there is no silver bullet capable of revitalising the market on its own. The EC recognises the importance of relaunching the market and the role that securitisation can play in the Savings and Investments Union³⁰, allowing credit risks across various asset classes and jurisdictions to be shared among market operators, including non-banks.

Below, we will analyse the main provisions introduced, starting with the Securitisation Regulation. The aim of the Commission's proposal is to reduce operating costs for issuers and investors, while ensuring adequate safeguards in terms of transparency, investor protection and public supervision.

The transparency measures introduced in 2017 (standardised templates for the various asset classes) have created a significant burden in terms of mandatory reporting for intermediaries, requiring complex information and a level of detail that is not always useful to investors.

Furthermore, the framework currently in force does not take sufficiently into account that privately placed transactions may have different characteristics from public transactions and that these differences should also be reflected in mandatory reporting. Given that private transactions are structured taking into account the needs of investors, reporting with information useful to the latter is already produced by originators; therefore, disclosure requirements for private transactions should be simplified and focused exclusively on the information needs of supervisors. To this end, the Commission has sought to better define the differences between public and private transactions in the Regulation.

In recent years, various initiatives have been promoted by institutions to simplify the templates involving market operators (both through the EBA and ESMA), but without reaching any significant conclusions. The Commission therefore plans to reduce the required data fields by at least 35% and to introduce a distinction between mandatory and optional data (the latter had been requested by the industry in recent years). It is also proposed to extend to private securitisations the obligation to use repositories, currently in place only for public transactions that can be used to access the Eurosystem refinancing mechanism.

The proposal also aims to ease the due diligence requirements for investors by eliminating a number of mandatory checks that are sometimes redundant. Due diligence would also be based on the requirement of proportionality, thus taking into account the actual risk incurred by investors.

Some criteria for STS transactions would be partially modified. In particular, given the small number of transactions carried out with SME underlying assets due to their complexity in structuring, and in order to promote such transactions, the Commission plans to make the portfolio homogeneity criteria less stringent (allowing diluted SME portfolios, with 30% of non-SME

³⁰ [Savings and investments union strategy to enhance financial opportunities for EU citizens and businesses](#), 19 March 2025.

credits). The SME sector is crucial to EU policy, given its importance as backbone of the EU economy. Therefore, securitisation is seen as one of the enabling factors for SME financing.

The retention obligation on the part of the originator bank would be waived under certain conditions if the junior tranche were subscribed or guaranteed by public entities. In addition, insurance companies (meeting specific criteria) would be considered eligible as unfunded guarantors for synthetic transactions. Finally, a review of the supervisory framework is proposed with a view to reducing the current fragmentation between Member States (giving the EBA a leading role in an ESA securitisation sub-committee).

With regard to the amendments to the CRR, the aim is, on the one hand, to make the prudential framework more risk sensitive (also in view of the good performance recorded so far by EU securitisations, which have historically shown very low default rates) and on the other hand to try to smooth out some of the differences that remain between EU regulations and the rules in force in other countries (such as the US) which, while following the Basel Committee's guidelines, in practice allow for more accommodating rules in certain cases. The text itself of the Commission's proposal acknowledges that the current prudential requirements are excessively high. The consequence is that market operators, on both the demand and supply sides, have no incentive to use this instrument.

The current framework remains based on the criterion of so-called non-neutrality: the overall capital requirements applied to the underwriters of the various tranches of a securitisation are higher than the requirements that would apply to the originator bank if it did not securitise the loans and kept them on its balance sheet. The reason for non-neutrality lies in the risks inherent in securitisations (the so-called model & agency risks³¹) which could lead to greater risk than initially assumed in the construction of securitisation transaction and therefore require higher capital requirements to reduce financial stability risks. The proposed reform reduces, but does not eliminate, these requirements³².

Similarly, the minimum levels (floors) of risk weights for the various tranches of securities are recalibrated to make them more sensitive to the actual risk of the underlying portfolios. This represents a shift from a situation where there are fixed RW floors (one for senior tranches of STS transactions and one for non-STS transactions) to a system calibrated to the actual risk of the underlying portfolios (still divided between STS and non-STS transactions, which bear higher requirements).

The overall framework of prudential requirements is very complex and distinguishes between: (i) banks that adopt the standard model (SEC-SA), internal models (SEC IRBA) or an approach based on external ratings (SEC ERBA); (ii) STS and non-STS transactions; (iii) between senior and non-senior tranches; (iv) between types of underwriter (originator/sponsor/investor). The Commission's proposal therefore specifically addresses the above requirements, making them more granular and risk-sensitive. The effect is to reduce the current disincentive to securitise portfolios with low-risk weights.

In order to encourage the use of high-quality securitisations, the EC has introduced a new category of senior positions known as resilient positions³³. This category, which may include both

³¹ Agency risk essentially implies an information asymmetry between the originator (who often also acts as the servicer of the portfolios) and investors, while model risk reflects the fact that the cash flow models underlying the financial structure of securitisations may contain errors or incorrect assumptions.

³² These are the (p) factors, which increase the capital requirements for the underlying portfolios. Here too, the Commission refers to excessively high requirements leading to 'unjustified levels of overcapitalisation for certain transactions'.

³³ Following the 2022 report of the Joint Committee of the European Supervisory Authorities, see note 6.

STS and non-STS transactions, would enjoy improved prudential treatment compared to STS transactions themselves, precisely because of its resilience and contribution to the overall financial stability. Among the characteristics required to be classified as resilient, tranches must, for example, have limited agency and model risk, a certain granularity and an adequate level of credit enhancement³⁴. Finally, in order to be resilient, synthetic transactions must benefit from the protection of a high-quality credit counterparty.

The last chapter of the Commission's CRR proposals concerns the criteria for SRT (Significant Risk Transfer) transactions. These transactions are considered particularly important because, with the reduction of credit risk achieved through securitisation, the release of regulatory capital gives banks new scope to lend to the economy. It is recognised³⁵ that the tests currently provided for in the framework to verify the effective transfer of risk to third parties have limitations and that there are supervisory practices that are not perfectly aligned between the competent authorities of the various Member States. Therefore, the reform aims to replace the current tests (defined as 'mechanical') with a more principle-based approach capable of capturing the characteristics inherent in each transaction. Furthermore, the intention is to make the SRT process with supervisors more standardised and predictable, overcoming the current differences in approach that can be found in the actions of the different competent authorities.

4. Some thoughts on the proposal

All proposals aimed at simplification and a general burden reduction are a step in the right direction, as is the decision to make prudential requirements more proportionate to the actual credit risk. However, some considerations can be made on the basis of the text proposed by the Commission and the ongoing public debate.

Although the effort to incentivise higher quality transactions is commendable, the introduction of the resilient transaction category would make the EU regulatory framework even more complex than it currently is, even compared to that of other jurisdictions (such as the US). In fact, in addition to STS and non-STS transactions, this new cross-cutting category would be introduced, which would largely coincide with the STS criteria but would not replace them entirely. The Commission also proposes that resilience criteria be verified not only initially but also throughout the life of the transactions: it is therefore possible that some of them may be defined as resilient at launch but may lose certain characteristics over the years, even for reasons beyond the control of the originator. This would cause potential volatility in capital absorption over time, which would make the use of the securitisation instrument less efficient and make it more difficult for banks to plan transactions and manage assets strategically.

Following the debate in recent months, certain technical rules redefining the criteria for seniority tranches could lead to undesirable effects, significantly increasing the capital absorption of certain transactions. In particular, senior tranches of transactions with non-performing loans as underlying assets could be affected, as they would be prudentially weighted as mezzanine tranches or, in some cases, as junior tranches. This was certainly not the intention of the European Commission, and it is expected that the discrepancy will be corrected by the co-legislators (this issue has already been addressed, for example, in the General Approach of the Council of the EU).

With regard to the Securitisation Regulation, the Commission's proposal could further improve the provisions on due diligence by investors, in particular by not duplicating the rules already

³⁴ Mechanisms of credit risk protection on the most senior tranches, ensured primarily by the presence of more subordinated tranches that absorb losses first.

³⁵ Preliminary work was carried out by the EBA in 2020.

contained in other sectoral regulations (including UCITS, IORP and AIFMD), which already provide for their own sanction regime. Furthermore, the proposal to prohibit the delegation of legal responsibility to ABS investment managers has been criticised. Finally, the level of sanctions (up to 10% of the investor's turnover) has also been considered by many market operators to be particularly disincentivising.

As already mentioned in the introduction, this reform only concerns performing transactions and excludes a review of the prudential treatment of NPE transactions (already subject to reform with the Capital Markets Recovery Package - CMRP in 2020, as mentioned above). We understand the reasons why the legislator did not want to put the reform of NPE transactions on the table: the issue is particularly divisive and the aim is to get the framework approved quickly in order to rapidly relaunch securitisation as a tool for developing financial markets and contributing to the growth of the economy. Furthermore, there is a widespread belief that not only have reforms already been introduced with the CMRP, but also that the stock of non-performing loans in the banking system has now been reduced to normal levels and no longer represents the emergency that was the focus for regulators and supervisors a few years ago. However, we believe that the decision to comprehensively address the reform of the various types of transactions, including NPEs, would equip the European banking system with all the appropriate tools in the event of a new outbreak of non-performing loans in the future.

4. Conclusions

As authoritatively reported in the works of Mario Draghi, Enrico Letta and Christian Noyer, securitisation can help generate adequate financing flows to support economic growth. And there is certainly a need for this capital in a context in which the EU is called upon to invest substantial resources to develop its strategic autonomy and resilience to external shocks.

As we have attempted to illustrate, the market for securitisation of performing assets in the EU has two different sides: traditional transactions remain essentially rather marginal, while appreciable results are coming from the SRT sector, which has been expanding for years, allowing for the release of capital and, potentially, new lending. The proposed reforms, thanks to more risk-sensitive prudential requirements, could further increase banks' capacity to provide new loans to the economy.

At the time of writing, the co-legislators have not yet completed their work on the two legislative texts. While, as mentioned, the Council of the EU has approved its position (General Approach, agreement reached on 12 December 2025), the European Parliament published its draft report in December and amendments must be submitted and voted on by the end of January. Once the European Parliament has also reached its final position, trilogue negotiations with the Commission and the Council of the EU will begin. The work is not expected to be completed and the final legislative texts published before the end of 2026.

Only after the final agreement of the trilogue will it be possible to comment on the likely scope of the reform: that is, to understand whether the agreement will effectively unlock both supply and demand and whether we will therefore see a real relaunch of the securitisation market, as hoped for in the aforementioned Draghi, Letta and Noyer reports; or whether, despite moving in the right direction, the measures adopted will be too timid and, although representing progress compared to the current situation, the existing dynamics will change little in substance and securitisation in the EU will still be far from reaching its full potential.

Statistical appendix

Interest rate on loans to households (new business)

Maturity	Nov-25	- 1 month	- 3 months	-12 months
House purchase				
floating rate and up to 1 year	3.10	3.08	3.23	4.34
over 5 and up to 10 years	3.58	3.50	3.41	3.73
over 10 years	3.32	3.35	3.31	3.15
APRC (*)	3.72	3.73	3.67	3.71
Consumer credit				
over 1 and up to 5 years	7.57	7.70	7.95	7.82
APRC (*)	10.12	10.07	10.29	10.24
Other loans				
over 1 and up to 5 years	4.48	4.62	4.59	4.59

(*) annual percentage rate of change

Source: Bank of Italy, Intesa Sanpaolo calculations

Interest rates on loans to non-financial corporations (new business)

Maturity	Nov-25	- 1 month	- 3 months	-12 months
Loans up to EUR 1million				
floating rate and up to 1 year	4.10	4.12	3.95	5.07
over 1 and up to 5 years	4.02	4.03	3.88	5.08
over 5 years	5.09	5.13	4.96	5.03
Loans over EUR 1million	5.07	4.99	4.97	4.91
floating rate and up to 1 year	3.16	3.16	3.09	4.15
over 1 and up to 5 years	3.09	3.08	2.97	4.16
over 5 years	3.48	3.40	3.55	4.01
	4.68	4.57	4.40	4.27

Source: Bank of Italy, Intesa Sanpaolo calculations

Main balance sheet items of the Italian banking sector: Loans to customers

	Private sector		Non-financial corporations		Households	
	EUR M	yoy % change (adjusted) (^) (*)	EUR M	yoy % change (adjusted) (*)	EUR M	yoy % change (adjusted) (*)
Nov-23	1,430,739	-3.2	625,371	-4.7	672,551	-1.2
Dec-23	1,429,548	-2.8	617,890	-3.7	670,422	-1.3
Jan-24	1,419,076	-2.6	614,756	-3.9	668,343	-1.3
Feb-24	1,414,713	-2.5	614,432	-3.7	666,808	-1.4
Mar-24	1,417,937	-2.4	613,370	-3.9	666,810	-1.5
Apr-24	1,411,056	-2.2	611,169	-3.3	666,318	-1.3
May-24	1,409,854	-2.0	612,715	-3.0	664,339	-1.1
Jun-24	1,417,816	-1.6	609,930	-3.3	664,412	-1.0
Jul-24	1,412,436	-1.6	605,682	-3.9	666,000	-0.7
Aug-24	1,398,159	-1.5	597,724	-3.4	663,247	-0.7
Sep-24	1,404,875	-0.9	599,441	-2.4	664,649	-0.5
Oct-24	1,399,271	-1.0	595,741	-3.1	666,179	-0.2
Nov-24	1,405,199	-1.1	597,451	-3.6	667,591	-0.1
Dec-24	1,416,557	-0.3	598,948	-2.3	667,971	0.2
Jan-25	1,405,924	-0.3	597,171	-2.1	667,233	0.4
Feb-25	1,404,878	0.0	596,769	-2.1	667,612	0.7
Mar-25	1,415,972	0.5	601,283	-1.2	670,202	1.1
Apr-25	1,415,792	1.0	601,129	-0.8	671,258	1.4
May-25	1,413,676	0.7	599,174	-1.4	673,349	1.5
Jun-25	1,426,708	1.1	606,507	0.3	674,839	1.8
Jul-25	1,425,375	1.3	605,207	0.7	677,855	2.0
Aug-25	1,413,720	1.6	600,255	1.2	675,237	2.0
Sep-25	1,421,693	1.6	601,920	1.2	677,853	2.2
Oct-25	1,419,226	1.8	598,214	1.1	680,250	2.3
Nov-25	1,429,573	2.1	604,139	1.8	682,822	2.4

Note: Adjusted changes are calculated by the Bank of Italy to take account of changes not related to transactions.

(^) Excluding central counterparties.

(*) Adjusted for securitisations and net of changes not related to transactions (exchange rate variations, other changes in value or reclassifications).

Source: Bank of Italy

Main balance sheet items of the Italian banking sector: Funding from customers

	Deposits from the private sector (*)				Bank Bonds (°)		Total funding from customers (#)	
	EUR M	yoy % change	Of which: Overnight deposits EUR M	yoy % change	EUR M	yoy % change	EUR M	yoy % change
Nov-23	1,739,289	-4.1	1,289,980	-9.4	246,636	19.7	1,985,926	-1.7
Dec-23	1,793,981	-3.1	1,343,769	-7.8	247,206	19.3	2,041,186	-0.9
Jan-24	1,765,201	-2.0	1,303,101	-7.1	250,482	20.8	2,015,683	0.5
Feb-24	1,768,118	-1.2	1,301,379	-6.0	251,229	17.8	2,019,347	0.9
Mar-24	1,782,296	0.0	1,312,870	-4.1	258,111	18.5	2,040,408	2.1
Apr-24	1,776,958	-1.6	1,307,386	-5.6	262,862	21.3	2,039,821	1.1
May-24	1,780,802	-0.1	1,309,577	-3.7	264,367	18.6	2,045,169	2.1
Jun-24	1,814,321	2.9	1,346,253	0.7	265,497	14.6	2,079,818	4.4
Jul-24	1,773,970	1.1	1,306,253	-1.1	262,877	13.1	2,036,848	2.7
Aug-24	1,788,039	2.0	1,320,235	0.2	261,570	12.3	2,049,609	3.3
Sep-24	1,785,219	0.5	1,316,878	-1.6	260,706	10.4	2,045,925	1.6
Oct-24	1,790,710	2.5	1,319,742	1.5	260,901	9.3	2,051,611	3.4
Nov-24	1,817,397	4.4	1,347,539	4.4	264,403	7.0	2,081,800	4.8
Dec-24	1,830,493	1.9	1,363,635	1.4	265,058	6.5	2,095,551	2.7
Jan-25	1,803,544	2.1	1,335,012	2.4	265,668	6.0	2,069,212	2.7
Feb-25	1,795,193	1.4	1,325,234	1.8	267,026	6.4	2,062,219	2.1
Mar-25	1,814,253	1.7	1,342,644	2.3	266,034	3.4	2,080,288	2.0
Apr-25	1,811,494	1.9	1,349,213	3.3	261,313	3.3	2,072,808	1.6
May-25	1,848,805	3.8	1,386,181	5.9	261,945	-0.2	2,110,751	3.2
Jun-25	1,826,143	0.5	1,367,655	1.7	266,401	1.5	2,092,544	0.6
Jul-25	1,824,495	2.9	1,363,480	4.6	268,277	2.7	2,092,772	2.7
Aug-25	1,837,065	2.7	1,377,279	4.5	267,100	2.7	2,104,165	2.7
Sep-25	1,839,802	2.9	1,380,850	5.0	267,758	3.2	2,107,560	3.0
Oct-25	1,839,595	2.6	1,379,742	4.7	271,680	4.9	2,111,275	2.9
Nov-25	1,866,453	2.6	1,405,204	4.5	269,475	2.8	2,135,927	2.6

Note: yoy % changes are adjusted for statistical discontinuity. Adjusted changes are calculated by the Bank of Italy to take account of changes not related to transactions.

(*) Excluding deposits with central counterparties and liabilities related to loans sold and not cancelled.

(°) Excluding bonds purchased by Italian MFIs.

(#) Excluding deposits with central counterparties, bonds purchased by Italian MFIs, and liabilities related to loans sold and not cancelled.

Source: Bank of Italy and Intesa Sanpaolo Research Department calculations.

Asset management: mutual funds and portfolio management (EUR M)

	Mutual Funds				Assets under management EUR M	Portfolio Management			Assets under management EUR M
	Net flows					Net flows			
	Italian funds	Roundtrip funds	Foreign funds	Total		Retail	Institutional	Total	
Nov-23	1,583	-3,009	-839	-2,264	1,100,828	28	-4,985	-4,957	1,061,341
Dec-23	863	14	-2,066	-1,189	1,124,019	58	2,213	2,271	1,093,791
Jan-24	486	-2,286	-528	-2,327	1,150,581	257	-687	-430	1,097,405
Feb-24	1,083	-2,743	-708	-2,368	1,155,871	592	-893	-301	1,087,959
Mar-24	1,761	-779	942	1,924	1,173,923	846	-2,538	-1,692	1,102,917
Apr-24	1,716	-858	-2,140	-1,282	1,175,964	734	-3,738	-3,004	1,093,957
May-24	2,292	-3,577	-1,026	-2,311	1,180,225	1,023	-720	303	1,096,422
Jun-24	963	-806	-317	-160	1,158,270	805	-3,260	-2,455	1,093,260
Jul-24	1,006	-179	2,126	2,953	1,223,793	1,202	-7,256	-6,054	1,104,351
Aug-24	851	1,816	668	3,335	1,231,599	536	1,008	1,544	1,108,037
Sep-24	1,418	-809	22	631	1,253,979	659	-506	153	1,141,066
Oct-24	2,084	1,398	-794	2,688	1,253,341	999	-68	931	1,137,910
Nov-24	1,565	-361	-1,188	16	1,271,394	832	3,289	4,121	1,164,229
Dec-24	1,202	1,463	1,764	4,429	1,278,059	1,139	7,136	8,275	1,158,249
Jan-25	1,511	-202	277	1,586	1,292,447	851	-478	373	1,164,659
Feb-25	1,823	99	-878	1,044	1,296,349	1,036	-1,374	-338	1,168,707
Mar-25	1,534	1,949	322	3,805	1,273,421	1,202	-1,750	-548	1,146,259
Apr-25	1,531	771	419	2,721	1,263,335	755	376	1,131	1,154,314
May-25	762	497	-2,486	-1,227	1,279,572	685	-1,888	-1,203	1,167,076
Jun-25	1,638	-113	-1,913	-388	1,281,243	555	2,030	2,585	1,170,408
Jul-25	1,233	1,858	-1,434	1,657	1,300,369	1,004	2,624	3,628	1,184,648
Aug-25	769	1,407	-299	1,877	1,305,488	467	3,593	4,060	1,183,140
Sep-25	1,058	145	-2,007	-804	1,311,711	91	-633	-542	1,197,213
Oct-25	1,067	1,284	-2,317	34	1,338,207	590	2,471	3,061	1,215,815
Nov-25	-1,095	-725	-401	-2,221	1,334,392	-1,255	-1,369	-2,624	1,210,332
YTD 2024	15,225	-9,184	-2,942	3,099		8,485	-15,369	-6,884	
YTD 2025	11,831	6,970	-10,717	8,084		5,981	3,602	9,583	

Note: data are brought from the preliminary indications of the Monthly Maps of Assogestioni. For this reason, these values could be subjected to some quarterly reviews.

Source: Assogestioni and Intesa Sanpaolo calculations

Asset management: life insurance premiums. New monthly business (EUR M)

	Traditional premiums				Unit linked		Total new business (*)			
	Class I		Class V		Class III		Monthly figures	yoy % change	YTD new business	YTD % change
	New business	yoy % change	New business	yoy % change	New business	yoy % change				
Nov-23	4,560	-2.1	12	-73.7	1,710	-28.2	6,308	-11.3	72,646	-6.3
Dec-23	4,639	7.8	36	-14.5	1,674	-20.9	6,407	-1.5	79,053	-5.9
Jan-24	5,204	16.0	53	-50.1	1,616	-7.5	6,891	8.5	6,891	8.5
Feb-24	5,759	11.5	20	-33.1	2,416	12.0	8,212	11.5	15,103	10.1
Mar-24	6,080	4.5	78	182.3	2,818	12.1	8,991	7.4	24,095	9.0
Apr-24	5,447	31.2	53	44.3	2,864	65.8	8,381	41.4	32,476	15.9
May-24	5,331	-1.8	42	-22.5	2,657	14.6	8,051	3.0	40,527	13.1
Jun-24	5,759	14.7	8	-47.2	2,752	37.3	8,540	21.0	49,067	14.4
Jul-24	5,854	27.8	29	15.8	3,534	79.0	9,442	43.0	58,509	18.2
Aug-24	3,470	7.5	11	2.3	2,267	49.9	5,762	21.0	64,271	18.4
Sep-24	4,094	-4.7	64	693.6	2,525	63.9	6,699	14.2	70,970	18.0
Oct-24	5,202	16.1	136	1,663.8	3,461	104.2	8,823	42.1	79,792	20.3
Nov-24	5,327	16.8	28	127.5	2,988	74.8	8,368	32.7	88,161	21.4
Dec-24	4,880	5.2	115	222.6	2,966	77.2	8,003	24.9	96,163	21.6
Jan-25	4,984	-4.2	200	277.0	2,961	83.2	8,164	18.5	8,164	18.5
Feb-25	5,843	1.5	116	468.1	4,017	66.3	9,996	21.7	18,160	20.2
Mar-25	6,224	2.4	36	-53.8	4,315	53.1	10,594	17.8	28,753	19.3
Apr-25	5,520	1.3	27	-48.7	3,323	16.0	8,885	6.0	37,639	15.9
May-25	5,327	-0.1	16	-61.2	3,114	17.2	8,478	5.3	46,117	13.8
Jun-25	5,817	1.0	16	93.7	3,380	22.8	9,234	8.1	55,351	12.8
Jul-25	6,134	4.8	37	28.8	3,876	9.7	10,069	6.6	65,420	11.8
Aug-25	3,607	3.9	9	-21.4	2,321	2.4	5,950	3.3	71,370	11.0
Sep-25	4,632	13.1	16	-75.6	2,995	18.6	7,662	14.4	79,032	11.4
Oct-25	5,615	7.9	15	-88.7	3,980	15.0	9,635	9.2	88,667	11.1
Nov-25	4,804	-9.8	27	-3.7	3,844	28.7	7,573	4.0	96,241	9.2

(*) The overall figure includes Branches IV and VI premiums too.

Source: ANIA and Intesa Sanpaolo Research Department calculations

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