

PATTICHIARI CONSORTIUM

<p>PattiChiari Consortium</p>	<p>A clear and transparent relationship between banks and customers has always been a top priority for the Italian banking system. Over the past few years, developing a dialogue with customers has become the main goal of a number of initiatives that the Italian Banking Association (ABI) has been implementing through active collaboration with Consumer Associations, banks, and institutions. As of 2003, ABI has pursued a distinctive strategy for improving transparency, comparability and for helping clients in making educated choices. These tasks are realized through a separate legal entity, independent from ABI multi stakeholders, called “PattiChiari Consortium” which provides customers with financial education programs and simple comparison tools to help them to better understand financial products and make informed choices.</p> <p>PattiChiari is a Consortium of 153 Italian banks engaged in a large project aimed at changing the relationship between banks and their customers, to pursue simplicity, quality, transparency and comparability. Its goal is to create a new relationship based on clear and transparent dialogue, which considers information not only a means for knowledge acquisition but also a tool for comparing financial service and making appropriate and informed choices.</p> <p><i>PattiChiari has implemented ten initiatives to help citizens, families, and SMEs to better understand financial services and choose the most suitable. Every day, its member banks offer useful and simple instruments and procedures to promote dialogue between banks and customers, at over 27,000 branches (representing 82% of total branches in Italy). PattiChiari’s initiatives are subject to quality certification by three external independent certifying bodies: Certiquality, Ciscert and DNV. The quality certification marks, fixed on bank door, show customers that a certified service is available, so as to ensure service quality and reliability.</i></p>
<p><u>Credit initiatives</u></p>	<p>Thanks to the “Average response times to SME loan applications” initiative, clients can be informed in advance of, and easily compare the average response time for banks to give an answer to loan applications. Data are classified by region and by amount. Clients can compare different bank response times on the PattiChiari website. In addition, clients will find the list of all documents required in order to file a loan application, and they will be directly informed of the name of the staff person, or office, they will need to contact for performing the request.</p> <p><i>Carrying out assessments at counters, as well as releasing information enabling clients to compare average times, allowed banks, through comprehensive monitoring, to shorten the times needed to supply loans. With regard to the 59 banks (for a total of over 19,000 branches) that took part in the initiative, results showed that: average response times for loan applications up to 25,000 Euros went from 9 to 6.5 working days, while for applications between 25,001 Euros and 100,000 Euros from 12 to 8 working days, and for amounts between 100,001 Euros and 500,000 Euros from 14 to 11 working days. From June 2004 to January 2008, web users performed 646 thousand online comparisons.</i></p> <p>70% of users who answered the online survey consider “Average response times for loans” initiative either “very” or “sufficiently” useful.</p>
<p>Average response times</p>	<p>General criteria for SME creditworthiness</p> <p>PattiChiari promoted the creation of a simplified, standard business plan; an instrument to help SMEs to understand the assessment variables and criteria used by banks in the evaluation of loan applications and to guide clients through a self-analysis process with the aim of determining the economic and financial compatibility of their choices.</p> <p><i>As of December 2003, entrepreneurs are aware of and can easily understand the main variables in the evaluation of corporate financial situations and the assessment variables and criteria used by banks in the evaluation for SME loan application. This initiative allows the creation of a common basis for dialogue between banks and enterprises on investment choices. It encourages the use of a simplified, standard business plan for presenting in a professional way corporate projects and plans for development to banks. 5.2 million copies of the simplified, standard business plan were distributed to SMEs at the counters.</i></p>

<p><u>Investment initiatives</u></p> <p>Low-risk/ Low-yield bonds</p>	<p>The initiative involving low-risk/low-yield bonds provides a daily up-dated list, available both at counters and online, of approximately 1,500 bonds characterized by a very low-risk profile with regard to both credit risk and market risk. Available securities are simple, quoted on the regulated markets of more developed countries, and Euro-denominated. The banks that took part in this initiative are required to inform clients, within 48 hours, of any sensible variations registered by the risk of the listed securities that they hold. This initiative is thus an effective tool to help clients in their investment choices, as well as a tool to focus client attention to the portfolio risk.</p> <p><i>Since the initiative was launched in November 2003, 6 million guides were distributed at the over 23,000 counters, and 9.4 million clients were directly informed of the existence of the list, in other words 65% of the managed clients. In addition, over 40% of securities purchased by retail clients (56% in terms of value), involves low-risk/low-yield bonds. 71% of the users who answered the online survey consider “Low-risk/low yield bonds” initiative either “very” or “sufficiently” useful.</i></p>
<p>Structured bank bonds</p>	<p>With regard to more complex products, the banks that are taking part in the “structured and subordinate bank bonds” initiative provide clients with information that is easy to understand. Participant banks also use a simple and straightforward language. We can thus help savers who invest in these products to understand the risk level involved in order to enable savers to make better-informed choices.</p> <p><i>Over 4 million clients received a guide to investments in structured bank bonds. In addition, over 2.5 million clients in Italy were able to purchase structured bank bonds, having easily understood the level of risk of their financial investments.</i></p>
<p>Comparing financial investments</p>	<p>The initiative provides investors, whether experts or less so, with a set of information to better understand their investment needs, and to make better-informed choices.</p> <p>A questionnaire helps investors to understand and then determine, with the aid of their bank, the “investor profile”, a straightforward information on financial tools (Security fact sheet), a monitoring over time of the correspondence between the risk profile and the investments performed allow savers to easily assess whether an investment is consistent with his/her investor profile. Participant banks are required to classify financial products according to the level of risk involved, in order to provide clients with information based on immediately comprehensible risk categories (ex. high, medium, low).</p>
<p><u>Service initiatives</u></p>	<p><i>The 35 participant banks, corresponding to 15,000 branches, are required to determine an “investor profile” for each client; in other words, an outline of all characteristics, information, and requirement for evaluating the most consistent investments with his/her specific needs. Since the initiative was launched in June 2006, 3.2 million client profiles were made.</i></p>
<p>Comparing current accounts</p>	<p>On PattiChiari website, “Comparing current accounts” initiative allows clients to compare current account products. Thanks to standard data sheets one can put side by side contents and costs of the current accounts offered by banks according to different consumption profiles of costumers (linked to different targets: young people, families, retired people). The standard data sheet also presents the price of the product and the icons representing the services included in the current account fees. All data is consistent and updated in real-time.</p> <p><i>On PattiChiari website are represented characteristics and prices of approximately 500 current account products offered by 81 banks at 22,155 branches: this is the largest comparison engine for current accounts in Europe today. Since the initiative was launched in 2004, there are three times as many products to compare, and 3.7 million comparisons were made. During the last four years, the average price of products decreases by over 20%. 79% of the users who answered the online survey consider our “Comparing Current Accounts” initiative either “very” or “sufficiently” useful.</i></p>

<p>Basic banking service</p>	<p>In order to promote financial inclusion, PattiChiari launched a very simple product accessible for ease-of-use and low cost, called “Basic banking service”. This service is specifically featured for those who do not yet hold a current account with a bank, from very young to retired people. The “Basic banking service” offers clients a set of essential instruments and services: ATM card, salary or retirement pension deposit, direct debit, bank transfers, information on balance and transactions, and access to simple investment plans.</p> <p><i>This product today is available at over 20,000 branches at an average monthly price of 2.9 Euros (54 yearly transactions); 75% of the products offered cost less than 3.5 Euros per month. As for January 2004, when the initiative was launched, the number of banks that decided to offer this product has almost doubled: from 40 to 77. 13% of the approximately 50,000 Basic banking service subscribers are foreigners, and almost half of them are from Albania, Romania and Morocco. 22% are young people between 18 and 30 years of age (+7 percentage points compared to current account holders of the same-age).</i></p>
<p>FARO</p>	<p>At any time with Faro, clients can find the closest working ATM machine, according to certified operating standards. With the aid of new technologies, consumers, either by phone, text messages, or online, can monitor and find out in real-time and free of charge where the closest ATM machine is, as well as get directions on the shortest route, either on foot or by car.</p> <p><i>Faro allowed the average service level of the ATM machines to increase up to 97.3% (data collected in January 2008). As for 2003, participant banks raised the level of ATM services from 93.2% to 97.3%. The difference between the level of service offered by the 126 banks that took part in the initiative (over 80% of national branches) compared to non-participants was calculated as 5.5 percentage points, which indicate the effective advantage coming from this self regulation initiative.</i></p>
<p>Check availability</p>	<p>Thanks to “Check availability” initiative, clients, using the tables published on the PattiChiari website, can easily find out and compare check availability for bank checks and bank drafts. times for sums deposited with checks on their bank account. Clients will thus have the opportunity of choosing the fastest bank.</p> <p><i>Thanks to this initiative, 4 million clients received an information guide, and above all, average availability times for checks significantly decreased (for bank checks of almost one working day). From March 2004 to January 2008 online comparisons on the PattiChiari website were 760 thousand.</i></p>
<p>Switching bank accounts (Cambio conto)</p>	<p>To explain how close a current account and switch all services to a new one, PattiChiari created an initiative that provides clients with clear information and simple tools. Consumers not only receive a guide explaining the procedure necessary for closing a current account and other useful information, but they also have immediate access to the list of all services connected to current account, in order to monitor them and to ease switching. In addition, every six months, an automatic closure time monitoring process is activated in order to inform clients of average times needed for switching bank accounts and allowing the process to be more efficient. Even more important, clients can take advantage of direct debit portability handled through automatic procedure. This solution ensures debit continuity when direct debit positions (RID) moving on from an account to the other.</p> <p><i>As of February 2007, direct debit transfers were 640,000, in other words approximately 5.4 million utility bills. The percentage of successful direct debit transactions was 98.6%. For the over 6,000 requests that were not completed within the agreed time of 10 days, sanctions were applied for a total amount of 170,000€. According to data collected in December 2007, the average time for closing a bank account in Italy are between 7 working days (for an account with a debit card) and 16 working days (for an account with a credit card and securities account).</i></p>
<p><u>Financial education initiatives</u></p>	<p>The Consortium promotes and organizes several training courses and information campaigns</p>

<p>Initiatives on the territory:</p>	<p>all over the country, such as “PattiChiari in città”, a tour that for four years has been bringing financial education directly in the Italian cities.</p>
<p>- PattiChiari in città</p>	<p>Consortium experts, in an informal setting such as city streets, provide Italian citizens with clear information, as well as free and easy-to-use tools. The presence of “PattiChiari in città” wants to encourage citizens in investing a bit of their time on financial culture; PattiChiari’s goal is spreading knowledge of financial products, and helping to make informed choices. <i>PattiChiari’s vans and teams travelled over 50,000 Km, reaching 260 small and medium-sized cities, and directly contacting 400,000 citizens.</i></p>
<p>- PattiChiari nei municipi</p>	<p>With the support of the Department for Economic Policies and the Department for Administrative and Information Services of Rome, from April to June 2007, PattiChiari set up a number of information booths within town halls. <i>2,850 citizens were able to find information, express doubts, ask for explanations, and come closer to the world of economy and finance.</i></p>
<p>Financial education in schools:</p>	<p>PattiChiari promotes the spreading of economic education among students as well. PattiChiari’s effort towards younger generations consists of two education programs: “Io e l’economia” and “PattiChiari con l’economia”.</p>
<p>- Io e l’economia (Junior High Schools)</p>	<p>“Io e l’economia”, a program created in partnership with Junior Achievement Italia, provides Italian junior high school students with a set of tools to be aware of the economic and finance principles of economy and finance. What’s new about this program is the presence of in-class bank experts who voluntary teach students, creating a link between labour world and schools. <i>From 2004 to 2007, 200 bank experts reached over 50,000 students from 525 different schools.</i></p>
<p>- PattiChiari con l’economia (High Schools)</p>	<p>Launched during the 2007 – 2008 school year, “PattiChiari con l’economia” is an education program created and developed by the PattiChiari Consortium. This initiative provides students with a basic knowledge to actively participate in social, professional, and economic life by giving them simple economic rules. For in-class learning, the project includes information material to support teachers and students, assistance from a tutor provided by banks, and a distinctive website. At the end of this experience, students will be asked to participate in a contest called “Sviluppa la tua idea imprenditoriale” (Develop your business venture), in which they will be expected to create a Business Plan. <i>This project, during the 2007-2008 school year, involves approximately 200,000 students from over 1,000 high schools.</i></p>
<p>- La settimana dell’educazione finanziaria (Financial education week)</p>	<p>The “Settimana dell’educazione finanziaria” is an initiative created by the PattiChiari Consortium to point out the importance of financial education as a public asset and social issue. This project was the frame for several activities:</p> <ul style="list-style-type: none"> - exhibition at ABI headquarters, called “Io il risparmio lo disegno così” (This is how I draw savings), showing cardboard figures drawn by children during the “PattiChiari in città 2007”; the exhibition also includes signposts explaining the vision of children on saving items and an interactive “touch screen” illustrating PattiChiari’s activities on financial education; - organization of 13 education workshops for junior high school and high school students on economy and finance issues. <p><i>In second week of February 2008, over 1000 students participated in the initiative.</i></p>
<p>Web initiatives</p>	<p>PattiChiari promotes ongoing and widespread economic and financial education using new electronic media as well.</p>

<p>- Our website</p>	<p>The www.pattichiari.it website address directly to users, through its “education area”, where citizens, students, and SMEs can have access to three different learning paths, customized according to their specific needs. <i>Overall, the two sections received 22 million hits.</i></p>
<p>- Walk-iLife</p>	<p>From May to August 2007, on the PattiChiari website one could find a learning game intended as a “virtual interactive economy course”. Users, after reading some information sheets on banking and financial products, and answering a series of questions, received a certificate of attendance. In addition, in April 2007, the PattiChiari Consortium together with the www.mtv.it website, the internet portal for young generations, gave life to “Walk-iLife”, an online game whose goal is to increase young people awareness in dealing with money, and to test their economic and financial knowledge by recreating, in a virtual system, some real-life situations, such as buying a car or a house. <i>Overall, approximately 6,000 users participated in these initiatives.</i></p>
<p>- Surveys</p>	<p>On the PattiChiari website, several interactive tools have been implemented with the aim of collecting data useful for banks to understand social and cultural phenomena linked to bank-client relations. <i>As of December 2006, the following initiatives were also activated: 7 surveys related to bank-client relations (2,815 answers), 3 agreement analysis focused on the main PattiChiari initiatives (1,801 answers), and 5 tests for self-evaluating the knowledge about bank services (3,646 answers). These tools allowed “one to one” interaction with 8,262 users.</i></p>
<p>Dialogue Campaign</p>	<p>The Dialogue Campaign is the first national campaign organized in Italy on financial education. The goal was to raise citizens’ awareness on the importance of making informed economic and financial choices and to encourage dialogue between banks and clients. <i>For the fulfilment of this campaign, that took place from the 11 to the 23 November 2007, PattiChiari developed a great number of external communication activities and activated all 26,000 branches of the Consortium member banks that distributed approximately 3 million education brochures.</i></p>
<p>Porte aperte a PattiChiari (Open doors to PattiChiari)</p>	<p>PattiChiari and 9 Consumer Associations (Adiconsum, Adoc, Assoutenti, Cittadinanzattiva, Confconsumatori, Consumer League, Movement for the protection of citizens, Consumer Movement, National Consumer Union) realized the “Porte aperte a PattiChiari” project whose objective is to encourage distribution and knowledge of the PattiChiari contents. <i>During the project (April 2006 – February 2007) 90 Consumer Associations agencies were activated; they provided information to over 20,000 citizens concerning PattiChiari initiatives.</i></p>