The Fondazione di Origine Bancaria is a legal construct established by the Amato Law of 1990 in the context of the privatization and de-specialisation of the Italian banking industry. The 1990 Law modernized the structure of banking institutions introducing the joint stock model and vesting bank shares in the fondazione. In essence, traditional state-controlled banking institutions were hived off into a joint stock company which would assume responsibility for banking operations and a fondazione which owned and managed the shares and pursued philanthropic goals.

In the subsequent twenty years numerous legislative amendments sought to recalibrate the role of the fondazione within the Italian economy. However, a series of structural conflicts have hindered its development as an innovative financial entity, or alternatively, as the primary non-profit actor within the Italian society. Moreover, the recent financial crisis has heightened concerns for the fondazione’s atypical role within the banking industry.

This article will survey the role of the fondazione as the primary institutional investor within the Italian capital markets, as a stabilizing force counterbalancing the unprecedented expansion of the Italian banks, and as an innovative model of corporate governance because of its dual purpose as a significant shareholder and philanthropic investor.

The Development of the Fondazione

By the late 1980s Italian banks were still operating under predominant government control. Banking regulation hampered the geographic and sectorial expansion of banks and was premised on the 1936-

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1 Literally in English: foundation of banking origin. The term “ente conferente” rather than fondazione is used in the earlier statutes.
3 A list of the relevant amendments is provided in the judgment of the Corte Costituzionale N.300 of 29/09/2009.
38 Banking Laws promulgated under the Fascist notion of a corporativist state. It was the demand for greater privatization from European and domestic actors which prompted the 1990 Law – and led to the introduction of the fondazioni – almost, by ‘chance.’

Legislative Framework and Development

The 1990 law split banking institutions into two separate legal entities: a *societa’ per azioni conferitaria* (banking entity) and the *ente conferente* (the fondazione). An important bond was created between the vesting bank and the vested fondazione as the latter was obligated to administer the shares of the bank. Concurrently, the fondazione was endowed with a philanthropic mission – embedded in a legal obligation to invest its assets for the pursuit of social welfare.

While the fondazioni were vested with significant shareholdings, and despite having a duty to adequately invest the generated profits for philanthropic purposes, fondazioni were prevented from actively pursuing banking operations.

A series of generous accounting policies which favoured the appraisal of shares held by the fondazioni was introduced. While encouraging the formation of new fondazioni, this had the indirect
effect of limiting the appeal for minority shareholders in banks. Consequently, these initial reforms made the fondazioni “rich” (at least in book value) but left the banks both poorly financed and underpriced.

On its face, the 1990 Law substantially reassembled the Italian banking system. In practice, political opposition impeded a complete privatization and this was conveniently done by requiring the fondazioni to retain the majority ownership of their respective vesting Bank. The September 1992 currency crisis prompted calls for a stronger privatization and denounced the banking reform as a false privatization (falsa privatizzazione). Moreover, competition and pressure from the European Union through the Second Banking Directive induced even the Banca d’Italia to advocate further reform.

The Dini Law was passed in 1994 eliminating the majority ownership requirement and incentivizing divestiture of bank shareholdings through substantial fiscal benefits. Without expressly compelling divestiture (which would have raised constitutional concerns) a Directive of the Minister of Economy and Finance was issued requiring greater portfolio diversification for fondazioni. This was intended to indirectly compel fondazioni to divest themselves of controlling stakes.

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12 Clarich & Pisaneschi, 44. This structural imbalance ceased with the significant sales of shareholdings in 1997-1998. P. Ferrari, 17-20.

13 In fact, before a fondazione could relinquish majority control of a bank, an express waiver from the Council of Ministers was necessary. Thus, the initial 1990 phase was dubbed the “privatizzazione fredda” as the changes affected the legal form rather than the inherent power struggles. Clarich & Pisanesi, 37; Schlesinger, *Fondazioni bancarie, in Banca, borsa e titoli di credito*, (1995, I) 421; Porzio, *Appunti sulla legge Amato*, in *Rivista delle Societa’*, (1991) 805. Moreover, the majority of the directors of a fondazione had to be nominated by the local institutions defined in Section 114 of the Constitution (these were municipalities, provincial and regional authorities.) This had the effect of merely shifting political control over the fondazione from a national to a peripheral level. L. Giani, *Ownership and Control of Italian Banks: A Short Inquiry into the Roots of the Current Context*, in *Corporate Ownership and Control*, (2008) 95.


15 Clarich & Pisaneschi, 50.


Four years later the Ciampi Law was enacted formalizing the institution as an independent, juridical entity and confirming its duty to invest in fields of social utility or in the promotion of economic development as set out in the fondazione’s constituent documents. The law enumerated the admissible fields of social investment as the promotion of art, cultural activities and heritage; social assistance; research; education; learning and training; voluntary activities, philanthropy and charity; local development; public health; environmental protection and quality; family and associated values; sport and recreation. The Ciampi law emphasised the limits on exercising banking operations and extended the prohibition to any form of financing or lending to profit-making institutions except for those specialized firms (imprese strumentali) which operate within the field of philanthropic specialization of the fondazione. Majority ownership stakes – including positions of control held in the respective vesting banks - had to be disposed within four years.

This form of privatizzazione calda – was incentivized through significant fiscal advantages. Fondazioni which disposed of bank shareholdings within the first four years would not be taxed on capital gains. This was ultimately challenged at the European Court of Justice as unlawful state aid in contravention of Article 87 of the Maastricht (“EC”) Treaty.

The forced divestiture of majority shareholdings mitigated the clear tension between ethical investment and zealous corporate administration but left the fondazioni with the dilemma of investing significant amounts of capital (accumulated from the sale of control stakes) in non-profit activities.

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23 In particular, with Leg. Dec. 23/02/1995 N.451, fondazioni can now assist in the administration of museums.


24 However, specialization within these sectors is still at its early phases. Clarich & Pisaneschi, 15.


26 Article 6, Paragraphs 1, 4. The law adopted an expansive interpretation of what it means to retain control focusing on the right to appoint bank executives as well as targeting joint control agreements between several foundations. E. Catelani, An Italian reality: from nineteenth-century Savings Banks to Foundations, on condition that bank shareholdings are divested, European Savings Bank Nominee 2005, 8. Fondazioni with net assets having a book value of less than €200 million or located in special statute regions are exempt from the divestiture requirements, Leg. Dec. 143/2003.

27 Article 25, provided a grace period of 4+2 years for divestiture of shares in banking institutions, but denied fiscal benefits (and categorization as a non-tax entity) for dispositions occurring in the final 2 years.


29 Article 5, Paragraph 1 of the Ciampi Law requires capital to be invested with sufficient caution to ensure adequate profitability. With an exception for certain minimum amounts which fondazioni must disburse in their sectors of competence, financial monitoring of fondazioni adopts the prudent investor standard rather than mandating qualitative or quantitative asset standards. P. Ferrari, 29-30. Empirical data for bank share divestitures is outlined in P. Ferrari. See also, A Fazio, Disegno di Legge sulle fondazione bancarie, Audizione del Governatore della Banca d’Italia, Senato della Repubblica, (1998). Cf. T. Boeri & L. Guiso, Quell’abbraccio mortale fra fondazioni e banche, in Lavoce, 13/01/2012 (suggesting that divestiture of the fondazioni’s shares in
Moreover, relinquishing bank shareholdings meant rebalancing assets on the market after having lost a reliable source of revenue (paid regularly through bank dividends).

Subsequent proposals for reform sought to further rescind ties between the fondazioni and their respective originating banks,\textsuperscript{30} or increase municipal representation in the fondazione’s board\textsuperscript{31} but neither proposal was successful.

To a certain extent, the fondazione was both created and subsequently revised with the notion that the market rather than the regulator would determine its success and evolution.\textsuperscript{32} Consequently, it is not surprising that the financial repercussions of the past decade have shaped the role of the fondazione in ways which were unexpected at the time of its formation.

Prior to the sovereign debt crisis the fondazioni were commended for assisting the restructuring of the banking system, for supporting the unprecedented geographical expansion of domestic financial institutions and contributing to the development of the Italian capital markets.\textsuperscript{33} By focusing exclusively on profitable banking activities and by reaping the advantages of a globalized financial market, banking groups such as Banca Intesa San Paolo and UniCredit Group were able to vertiginously expand their scope of operations.\textsuperscript{34} Yet, expansion and consolidation was possible through recapitalization and bank mergers, both of which were secured through the approval and support of the fondazioni.

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\textsuperscript{32} Yet, can the market truly regulate a hybrid instrument like the fondazioni which operates with significant competitive advantages in fields without intensive private competition? G. Seravalli, \textit{CNEL: La riforma delle fondazioni bancarie}, 54.


\textsuperscript{34} On changes in the Italian banking industry, see: F. Panetta, \textit{Il sistema bancario italiano negli anni Novanta – Gli effetti di una trasformazione} (Il Mulino, 2004); M. Messori, \textit{Consolidation, Ownership Structure and Efficiency in the Italian Banking System}, in \textit{The Banks and the Italian Economy} (Verlag, 2009); C. Lamanda, \textit{The financial crisis: less internationalization or better supervision?} UniCredit Reviews, (2009) 104. Ideally, the fondazione model could have permitted the best of both worlds. On the one hand, a supporting, passive long-term investor eager to assist the expansion of a globalized bank, on the other, a conscientious shareholder with an awareness of the interests and needs of the local client base. V. Grilli, \textit{Fondazioni: Eredi di Comunità’}, 66.
Moreover, the significant shareholdings retained by most fondazioni in their original vesting banks (in most cases inferior to 50% but still ranging from 10-30%) provided an effective buffer against short-term speculation. Fondazioni acted as long-termist institutional investors in a capital market which is still suffering from the absence of shareholder diversification. Furthermore, unlike other forms of corporate social responsibility, the territorial grass-roots commitment of the fondazioni was safeguarded and continued during the subprime mortgage crisis of 2007-2009.

The sovereign debt crisis with its dire impact on the Italian banking and financial system has radically altered this scenario and exposed the weaknesses of an underdeveloped capital market, an overexposed banking sector and a worrying economic policy. To place matters into perspective before considering the fondazione’s new role in the modern economy, it is worth noting that there are currently 88 fondazioni operating in Italy with assets totalling 50 billion Euros, and annual investments in philanthropic projects of 1.37 million Euros.

Non-Profit or/and Corporate Shareholder?

The conflict which bedevils the debate on the fondazione’s role led Mr Giuliano Amato – former Prime Minister and principal drafter of the Amato Law – to admit feeling like Frankenstein as he unleashed a ‘legal’ monster. Mr. Amato was troubled by the fondazione’s uncertain existence as either or both a corporate investor and a non-profit organization. At a recent summit of the Associazione di Fondazioni & Casse di Risparmio (“ACRI”) Mr. Amato confessed feeling relieved now that the fondazioni had found their soul as pure non-profit enterprises.

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36 N. Saldutti, Le Fondazioni? Un presidio per le banche Italiane (interviewing G. Guzzetti), in Corriere della Sera, 08/03/2012; G. Rossi, Capitalismo Familiare e Fondazioni bancarie, in Il Sole 24 Ore, 05/06/2011.
38 According to the financial data provided by ACRI in Sedicesimo Rapporto sulle Fondazioni diOrigine Bancaria, (ACRI, 2010). In part, this can be explained by the fact that fondazioni have both a “right and a duty” to invest these funds in the local community given their origin as purely private funds. On the role of corporate social responsibility in the crisis, see A. Kemper & R. Martin, After the Fall: The Global Financial Crisis as a Test of Corporate Social Responsibility Theories, in European Management Review, 229-239 (2010).
39 In the recent crisis fondazioni have been exposed to significant losses from their bank shareholdings. M. Mucchetti, La crisi e le fondazioni bancarie, in Corriere della Sera, 26/11/2011.
40 According to the financial data provided by ACRI in Sedicesimo Rapporto sulle Fondazioni di Origine Bancaria, (ACRI, 2010) 7.
42 G. Amato, Fondazioni: Eredi di Comunità, 34.
Thus, at least institutionally, the commitment of the fondazioni to the voluntary sector appears unambiguous. Yet how to align this noble ideal with the reality that fondazioni still retain significant shareholdings in their original vesting banks? For example, the Fondazione Monte dei Paschi di Siena controls just less than 50% of the shares in the corresponding Sienese bank, Intesa San Paolo has 5 fondazioni administering 25% of its shareholding and even the international UniCredit Group has more than 7% of its shareholdings vested in local fondazioni.43

The Fondazione Monte dei Paschi di Siena is a worrying example of the ailing rapport between the fondazioni and their respective originating banks. Despite its quincentennial roots, the acquisition of Banca AntonVeneta in 2007 and the recent credit crisis exposed the Sienese bank to an urgent need for capital.44 Unwilling to dilute its share ownership but confronted with the need to replenish the bank’s empty coffers, the Fondazione incurred significant debts to improve the bank’s capital adequacy requirements.45 Despite the contribution, Monte dei Paschi di Siena faces unpromising financial perspectives while the Fondazione may be forced to sell as much as 15% of its stake.46 Had the Fondazione invested more substantially, according to some commentators, the bank could have been spared its current woes.47 Yet, this would have been at the expense of the many grantees of the Sienese foundation and would probably have violated the Fondazione’s managerial requirements to diversify investments and disburse primarily for philanthropic purposes.

Confronting the matter doctrinally, can it be said that ethical and profitable investment are compatible attributes of a substantial shareholder – especially in a time of crisis?48 The legislature has evidently thought not and chose to strongly encourage the former function (ethical investment and sustainable assistance to communities) at the expense of the latter (profitable investment in the banking industry).49

43 For a holistic perspective of the issue, see F. Trivieri, Proprietà e controllo delle banche italiane, (Rubettino, 2005) 158. According to the financial data provided by ACRI in Sedicesimo Rapporto sulle Fondazioni di Origine Bancaria, (ACRI, 2010) 7.
44 R. Sanderson, Monte dei Paschi stake set to be sold, in Financial Times, 11/03/2012; R. Sanderson, Venerable but vulnerable, in Financial Times, 19/02/2012.
45 R. Sanderson, Monte dei Paschi to raise €2.5bn in fresh capital, in Financial Times, 12/04/2011; Fondazione Mps ottiene piu’ tempo dalle banche, in Il Sole 24 Ore, 27/11/2011.
46 R. Sanderson, Monte dei Paschi stake set to be sold.
47 T. Boeri & L. Guiso suggest that the current value of MPS would be five times greater if the Fondazione could have invested its substantial assets in restoring the bank’s finances.
49 See for example, Legge sul Risparmio of 18/12/2005, N. 262 Article 7 which limits voting power for fondazioni with bank shareholdings of more than 30%. With the exclusion of the smaller-net-worth fondazioni which are exempted from the divestiture requirements, this law affects the voting powers for the Cassa di Risparmio di Firenze, Cassa di Risparmio di Genova and Monte dei Paschi di Siena. However, a consequence of the 30% non-voting restriction amendment is that banks which have maintained a shareholding greater than 30% but smaller than 50% can effectively “keep their banks out of the market.” L. Giani, Ownership and
Moreover, if one considers the worrying interconnectedness of the Italian banking world, preserving the fondazioni as controlling shareholders would have further exacerbated the issue preventing the rise of truly independent shareholders. In fact, while de-politicization was at the core of the Amato reform and notwithstanding the numerous legislative decrees which prohibit joint and multiple directorships,\textsuperscript{50} concerns for political interference, oligarchic control and nepotism are still loudly voiced.\textsuperscript{51} Consequently, the compelled disposition of shares has been helpful at least in liberalizing the banking industry and providing novel opportunities for foreign investors.\textsuperscript{52}

However, the community-focused dimension of the commitment of a fondazione in the originating bank means that the investment of a fondazione provides that long-termist mentality which was so worryingly absent in the recent financial crisis.\textsuperscript{53} The larger fondazioni would have the resources to play the role of effective market stabilizers reassuring the financial markets and pledging for the solidity of the bank’s capital.\textsuperscript{54} Yet, even assuming that the fondazioni have the potential to play such an important role for the recovery and resilience of banking institutions, should they really undergo such gargantuan an enterprise?\textsuperscript{55}

\textsuperscript{50} Decreto del Ministro del Tesoro, D.M. 26/11/2003; Ciampi Law, Article 4, Paragraphs 1(g), 3; D.M. 18/05/2004; Gorgianni & Tardivo, 174.
\textsuperscript{52} Clearly, internationalizing the shareholder base of the leading Italian banks has erased that territorial link and support for local SMEs which the banking industry had traditionally played. C. Pace, Alcune proposte per la disciplina delle fondazioni bancarie, in CNEL – La riforma delle fondazioni bancarie, 112. La Repubblica, Affari & Finanza, 13/02/2006 (commenting on how foreign banks now owned a stake larger than that of the fondazioni in the Italian banking industry). The dilution of the fondazioni’s shareholdings has been aggravated by the recent recapitalizations. As smaller fondazioni could not keep up with the substantial sums of capital required, their position was often diluted. See generally, F. Corsico & P. Messa, Da Frankenstein a principe azzurro: Le fondazioni bancarie fra passato e futuro, (Marsi, 2011). See also the significant stakes acquired by UAE investment fund Al Aabar and other US institutional investors in the recapitalization of UniCredit Group in January 2012. M. Mangano, Gli Emeriti primi soci di UniCredit, in Il Sole 24 Ore, 18/01/2012;
\textsuperscript{55} Once again the conflict is evident. Are fondazioni interested primarily in safeguarding their funds or are they concerned with the wider financial stability of their originating bank? S. Restuccia, Fondazioni, dialogo sui nuovi indirizzi, Il Sole 24 Ore, 14/10/2003. Even according to the President of ACRI, Mr. Guzzetti, philanthropic disbursements are the primary function of fondazioni and holding large shareholdings in banks remains solely a profitable means of investment. G. Guzzetti, Fondazioni: Eredi di Comunità , 26.
The tension between the fondazioni as an ethical disburser and a corporate shareholder introduces an interminable list of conflicts of interest in the operation of the fondazione and the bank. As an ethically-minded investor, the fondazione will be conscious that the collapse of the originating bank will gravely affect the economy with disastrous consequences for the local communities it is empowered to assist. Yet, as a rational shareholder abandoning the sinking ship might appear to be the best course. Besides from the dramatic bank-failure scenario, from a simple asset management perspective, it is inevitable that resources committed to a bank (whether it be through recapitalization plans or recovery funds) will come at the expense of limiting other philanthropic disbursements.  

Moreover, fondazioni and the other corporate shareholders will often have fundamentally divergent objectives. Fondazioni seek long-term stable revenues, while shareholders (consonant with the Berle-Means model of dispersed shareholder ownership) may often prefer riskier investments promising higher returns. As such, will the fondazione not use its managerial powers (acquired through its overbearing influence as a significant shareholder) to dissuade bank’s management from hazardous opportunities if it will compromise the expectancy of a reliable, fixed source of future income?

An Institutional Investor?

Regardless of the many structural conflicts which hinder the simple alignment of the fondazione as a passive investor in the capital markets, the fondazione remains a relatively novel financial player with significant capital assets and the flexibility to evolve into a different investment vehicle. In fact, assuming that the fondazioni’s 7-15% shareholding in banking institutions provides that desirable equilibrium between corporate presence and portfolio diversification, the fondazione could then develop as a model for a new species of institutional investors. Unlike other institutional investors, the fondazione is statutorily required to discard the notion of shareholder value insofar as it undermines its pursuit of ethical and philanthropic disbursements to the community. Similarly, the fondazione’s knowledge of the local credit and client base within a territory has strengthened the institution’s expertise in determining reliable, credit-worthy investments. Investing

56 Only with the significant disposals of bank shareholdings after the Dini and Ciampi Laws were fondazioni free to invest substantial capitals in philanthropic activities. P. Ferrari, 15-16; P. Ferrari & E. Magnani, Il futuro ruolo delle fondazioni bancarie, nuovi investitori istituzionali, pure “grant maker”, “community foundation” o che altro? in Il Risparmio, 1998.
59 Nota Bene, for CONSOB (the Italian Securities Commission), fondazioni are not characterized as institutional investors as they do not pay dividends to shareholders (beneficiaries).
60 P. Ferrari, 17.
in this attribute could allow the fondazione to re-imagine its role as a major player in assisting local start-ups, operating as a venture capital fund but without losing the lustre of non-profit.\(^1\)

**Corporate Governance – Banking on Alternatives**

When considering the topic from a wider perspective, the fondazione also provides an innovative model of corporate governance. Focusing on the 1990-1994 period when the wealth of the Italian banking system was effectively administered through the fondazione’s majority (or complete) shareholding of the respective banking institution, this presented a rare instance of profitable banking entities administered by a non-profitable, philanthropic institution.

In line with current debates on the need to privilege long-termist shareholders while isolating the board of directors from the pressure of stakeholders seeking short-term profits, the fondazione provides an insightful example of *de-financialised* shareholding a compromise capable of fulfilling both objectives. Moreover, the fondazione’s focus on philanthropic values and the economic development of the local community provides a (theoretically) compelling alternative to the bilateral world of dispersed shareholders or family-controlled firms which monopolizes corporate governance in the Western world and emerging markets.

**The Quest for Identity? A Private or Public Entity**

The Italian experience of the fondazione underscores an important source of friction in their regulation. Despite operating as autonomous private law bodies, the fondazione is subject to extensive regulatory supervision to ensure and monitor compliance with its non-profit objectives.\(^2\) There is scepticism to permit self-regulation for entities which are, albeit indirectly, administering the private funds originally deposited in the *Casse di Risparmio*.\(^3\) Thus, fondazioni are perceived to operate for a distinctively public purpose, administering *quasi-public funds* and therefore requiring supervision to ensure that the assets are adequately spent for the benefit of the community. This is the case despite the numerous proclamations of the entity’s private and autonomous nature by both the legislative and judicial branches.\(^4\) Consequently, the fondazioni are legally characterized as private non-profit

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\(^{62}\) Clarich & Pisaneschi, 90-92. In particular, the Ministry of Economy and Finance has the authority to regulate outlays and budgets, supervise appointments and amendments to the constituent statute and bylaws.


entities but lack the flexibility of the Anglo-American charitable institution and are regulated as quasi-public bodies but lack the support which traditionally characterizes public investments.  

Categorization of the fondazione as a public or quasi-public body should affect their financial regulation and determine whether the funds should be administered exclusively for public interests regardless of the otherwise charitable nature. If fondazioni are to be seen as de facto public law entities, greater transparency and accountability would be desirable. If fondazioni are legitimated as private law entities, then they should enjoy greater freedoms of investment and are not to be expected to supplement deficient public services.

An important distinction with the Anglo-American non-profit counterpart and perhaps the most significant impediment for the deregulation of the fondazioni is the absence of beneficiaries or grantees. Unlike a beneficiary in a trust or a shareholder in a corporation, the ultimate grantees of the funds of a fondazione do not have proprietary title to the dispositions. Consequently, concerns for the unaccountability of these institutions to any single stakeholder, are persuasive reasons to retain the current framework of regulations despite its inevitable economic inefficiencies.

**Conclusion**

The financial crisis of 2008-201? has exposed many of the deficiencies of the Western capital markets and the regulation of banking and financial institutions. The bail-out of banking institutions has outraged the taxpayer and upset the regulating authorities which have responded with unprecedented vengeance. The stringent capital adequacy requirements of Basel III will either shrink bank size or force banks to accept undue compromises. Shrinking will affect lending capabilities, and despite the

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67 G. Baratti, *Il Nuovo quadro normative di riferimento per la ricerca di identità delle Fondazioni di origine bancaria*, in *Fondazioni di origine bancaria e fondazioni di comunità locali*, (C. Bottari ed. 2005) 100-101; V. Grilli, *Fondazioni: Eredi di Comunità*, 69 suggests the support of the fondazioni should be complementary and not supplemental. Perhaps, categorization of the fondazione as a private or public law entity could depend upon the size and role which the fondazione plays within the local society – whether it is effectively operating as a large institutional investor or as a para-municipal authority.

68 Despite the words of the President of ACRI - transparency of operations is not the same as accountability. G. Guzzetti, *Fondazioni: Eredi di Comunità*, 27. Concerns that grantees of the fondazione should be awarded managerial authorities have been voiced for the past decade. F. Cafaggi, R. Costi, L. Barca *CNEL – La riforma delle fondazioni bancarie*, 37-39, 45, 77-82. Unlike common law investment protection, managers of a fondazione are not subject to the rigorous fiduciary duty standards.
substantial liquidity inputs of the European Central Bank – the responses adopted by banks are likely to impact funding to the backbone of the real economy – the Small Medium Enterprises.

It is in this light, and in the wider debate on the need to devise more humanized corporate structures that the Fondazioni may appear as a valuable lesson for other jurisdictions. In fact, the model of the fondazione is not necessarily an historical product of the peculiarities of the banking system. The fondazione model was adopted to restructure the Austrian banking system with over 30 banking stifungs created from the ashes of the Sparkasse – the Austrian equivalent of the Cassa di Risparmio. Similarly, in the common law world, the privatization and liberalisation of the banking industry in New Zealand was accompanied with the introduction of the community trust to administer the shares of the new banks which were created.

69 See for example the case of the Erste Foundation and Erste Banking Group.