

6-1-1987

Brief biographical sketch of Marco Vitale

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Recommended Citation

Minsky, Hyman P. Ph.D., "Brief biographical sketch of Marco Vitale" (1987). *Hyman P. Minsky Archive*. Paper 197.
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Marco Vitale will be in St. Louis Sunday Oct 25 and Monday Oct. 26. He is returning to Italy on Tuesday (I believe).

Vitale is about 50 years old. He is or was a professor, still associated with the University of Ancona.

His main activity is with Aree: ~~An~~ ~~money market~~ ~~association~~ ~~of~~ ~~Italian~~ ~~Banco~~ ~~Popolare~~ ~~that~~ ~~handles~~ ~~money~~ ~~market~~ ~~activities~~ ~~for~~ ~~these~~ ~~banks.~~
money market ^{board by 12} association of Italian Banco Popolare ~~that~~ handles money market activities for these banks.

Vitale is President of ~~Aree: A mutual fund~~

1) Aree 2: a mutual fund group that manages about \$4 billion dollars (June 30, 1987)

2) Aree Merchant: ~~venture capital~~ A "merchant bank" that engages in venture capital, financial restructuring, mergers and acquisitions, leveraged buy outs. Manages They have ~~about~~ either \$40 million or \$80 million to invest. I believe Aree Merchant is quite new.

Vitale is not listed as an officer of
the third bank entirely AOK which is a
"normal?" insurance banking outfit.

[I met ~~Marco Vitale~~ ~~while visiting~~
at Monte Koss; he was another home grown

I met Vitale when we were both home
guests of ~~the~~ of Mr. Pettiforani at Rome.
Vitale is clearly an "entreprenneur"
and promoting ~~also~~ both
smart and aggressive.

~~Remember~~ The area of Italy in which Vitale
works (Lombardy, Emilia and Venezia) is
very prosperous. The equivalent to
our deregulation is taking place very
rapidly. The firms in this region may
be moving from family to ~~corporation~~
public listed corporation very quickly.
The constraints upon the ownership by
Italians of foreign financial assets is
being relaxed rapidly. Mutual funds
can now own 10% of offshore assets and
soon will be able to ~~own~~ own 20%.

ARCA

ARCA: a model to investigate.

Il Gruppo Arca is a consortia of 12 Banche Popolari; the offices are in Milan. (Banche Popolari are locally based deposit banks initially organized to serve smaller businesses, independent farmers, and small savers) These 12 banks have 650 branches and \$20 billions in deposits in Lombardy, Venezia, and Emilia-Romagna. The largest with \$4.5 billions is based in Bergamo, the smallest with \$300 millions in deposits is in Crema.

These 12 banks have formed 3 joint ventures. (A minority holding in each venture is held by a variety of other groups)

1. Arca, a manager of open ended mutual funds. As of June 30, 1987 they managed 3 funds with \$4.2 billions. (Italian banks have always done the retail distribution of securities.)

2. ABK, an investment bank, perhaps closest to a U.S. brokerage house.

3. Arca Merchant, a combination of a venture capital outfit and a financier of reorganizations, take overs and leveraged buy-outs.

These banks are doing something like what we have thought of before, combining so as to be able to serve clients better than hitherto and simultaneously reducing their dependence on the larger banks. The Banche Popolari may be somewhat like Mark Twain in their deposit base,

ARCA

although they often are the dominant local financial institution in a system with nation wide branch banking.