

Nuova Newsletter FinRiskAlert

29/01/2026 15:17:18

Care Lettrici e cari Lettori,

Siamo lieti di annunciarvi che FinRiskAlert cambia veste. La missione del sito e della newsletter sarà la diffusione della ricerca scientifica nel mondo finanziario.

Il nuovo formato è pensato per offrire un accesso diretto ad una selezione curata della ricerca in finanza. Il sito e la newsletter comprenderanno informazioni riguardo a:

1. **Preprint dei membri del QFinLab:** informazione e accesso ai lavori di ricerca prodotti dal laboratorio (ogni contributo includerà un extended abstract).
2. **Selezione di working papers:** rassegna curata delle pubblicazioni provenienti dalle principali banche centrali, istituti di vigilanza e regolatori finanziari internazionali. I contenuti saranno selezionati focalizzandosi su temi quali: asset management, risk management, green finance, fintech, insurtech, asset pricing, new technologies in finance, decentralized finance.

Crediamo che questo nuovo formato possa rappresentare una risorsa preziosa per ricercatori, practitioner e policy maker.

La newsletter avrà cadenza mensile.

Vi invitiamo gentilmente a segnalarci eventuali errori o inesattezze nelle informazioni riportate, scrivendo ai nostri contatti. La vostra collaborazione è preziosa.

Grazie per continuare a seguirci in questo nuovo percorso.

Cordiali saluti,

Il Team di FinRiskAlert

English Version:

Dear Readers,

We are pleased to announce that FinRiskAlert is adopting a new format. The mission of both the website and the newsletter will be the dissemination of scientific research in the financial sector.

The new format is designed to offer direct access to a curated selection of research in finance. The website and newsletter will include information regarding:

- **QFinLab Member Preprints:** Information and access to research papers produced by the laboratory (each contribution will include an extended abstract).
- **Selection of Working Papers:** A curated review of publications from major central banks, supervisory institutes, and international financial regulators. Content will be selected focusing on topics such as asset management, risk management, green finance, fintech, insurtech, asset pricing, new

technologies in finance, and decentralized finance.

We believe that this new format will represent a valuable resource for researchers, practitioners, and policymakers.

The newsletter will be published on a monthly basis.

We kindly invite you to report any errors or inaccuracies in the information provided by contacting us. Your collaboration is valuable.

Thank you for your continued support on this new path.

Best regards,

The FinRiskAlert Team

Daniele Marazzina, Francesca Grasseti, "A Standardized Approach to ESG Ratings for Business Strategy: Enhancing Corporate Sustainability Assessment"

29/01/2026 15:10:23



Do we really need proprietary ESG ratings? Our paper suggests: no. We show that a credible sustainability score can be built without data providers and black-box algorithms, using only observable performance and GRI standards. No promises. No narratives. Just results. Transparency and comparability are possible— if we stop outsourcing sustainability to proprietary models.

Abstract: The current landscape of Environmental, Social, and Governance (ESG) ratings is fragmented by methodological inconsistencies, lack of standardization, and substantial divergences among rating providers. These discrepancies hinder comparability, reduce transparency, and undermine the reliability of ESG assessments, limiting their effectiveness for

both investors and corporate decision-makers. To address these issues, this study introduces a standardized approach to ESG rating construction, aimed at enhancing the objectivity and interpretability of corporate sustainability evaluations. The methodology integrates the Global Reporting Initiative standards with the United Nations Sustainable Development Goals, thereby identifying a coherent set of key performance indicators across the ESG pillars. By relying solely on publicly available data and incorporating mechanisms for managing missing information, the model provides a transparent and reproducible framework for sustainability assessment. Its validity is demonstrated through an empirical application to firms in the financial and manufacturing sectors across Europe and the United States, with benchmarking against established ratings from providers. Rather than replicating existing ESG scores, the model offers a transparent and reproducible alternative built on disclosed performance data, without relying on forward-looking statements, corporate promises, or commercial data providers. By penalizing non-disclosure and enabling sector-specific sensitivity analysis, the framework supports more accountable and customizable sustainability assessments, helping align ESG evaluations with strategic and regulatory priorities.

<https://www.mdpi.com/3689316>

Manuel Buchholz, Axel Loeffler and Patrick Sigel, "Do capital requirements and their international differences affect banks' profitability?"

Deutsche Bundesbank, Working paper n° 31/2025

29/01/2026 15:06:17



Abstract: A key element of the Basel III reforms are stricter capital requirements, which have been implemented with varying degrees of stringency across jurisdictions. We examine the impact of these requirements on bank profitability in the US and Europe between 2019 and 2024. We find no evidence that higher capital ratios or requirements negatively affect profitability. However, our results indicate that international differences in capital requirements can influence the profitability of banks that operate globally: Since capital requirements in a jurisdiction apply only to domestic banks and foreign subsidiaries, foreign banks operating through cross-border or branch-based activities may gain a competitive advantage. Nevertheless, the effect appears to be limited to the subsample of German significant institutions (SIs). Moreover, our analysis of policy scenarios based on the estimated spillover effects suggests that lowering capital requirements is not an effective strategy for improving bank profitability and could even be detrimental if reciprocated by foreign jurisdictions.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5713084

Mahmoud Fatouh, Benjamin Guin and Haluk Unal, "Product innovation in the UK mortgage market: the case of green mortgages"

Bank of England, Working paper n° 1167

29/01/2026 15:04:22



Abstract: We study product innovation in the UK mortgage market by analysing when and how attributes outside the traditional structure of mortgage contracts become pricing relevant. To do so, we develop a stylised framework that treats mortgage products as structured bundles of attributes, focusing on the two-part tariff, comprising interest rates and fees, to infer innovation from pricing patterns. Our empirical strategy first uses transaction-level data and exploits within-product variations over time to detect when new product features affect pricing, which we apply to the case of green mortgages. Matching Energy Performance Certificates (EPCs) to UK mortgage originations, we show that EPCs become pricing-relevant in 2018, with lenders starting to offer pricing discounts for loans to buy properties with higher energy efficiency. We also use offer-level data on advertised green products to precisely estimate pricing discounts. We detect considerable green discounts, which reach up to 15 basis points in 2022. Mortgages against high EPC properties are concentrated in new buildings, suggesting relaxed credit constraints and increased housing investment, with implications for the broader economy.

<https://www.bankofengland.co.uk/working-paper/2026/product-innovation-in-the-uk-mortgage-market-the-case-of-green-mortgages#:~:text=We%20study%20product%20innovation%20in,we%20s how%20that%20EPCs%20become>

Alessandro Moro and Andrea Zaghini, "Cui prodest? The heterogeneous impact of green bonds on companies' ESG score"

Banca d'Italia, Working paper n° 1499

29/01/2026 15:02:13



Abstract: This study analyses, from both a theoretical and empirical perspective, whether issuing green bonds improves companies' environmental performance. The theoretical part develops a model with information asymmetries between investors and issuing companies, which can choose between polluting and clean technology. The empirical analysis, based on a global sample, compares the evolution of the ESG score - an indicator of environmental commitment - between companies that issue green bonds and those that do not. The theoretical model shows that the introduction of green bonds can bridge the information gap between companies and investors, lowering financing costs for companies that adopt clean technologies. Empirical estimates indicate that issuing green bonds has a greater impact on the environmental performance of the most polluting companies. The effect is more pronounced for bonds issued specifically to finance climate risk mitigation activities.

<https://www.bancaditalia.it/publicazioni/temi-discussione/2025/2025-1499/index.html?com.dotmarketing.htmlpage.language=1#:~:text=This%20study%20analyses%2C%20from%20both,and%20those%20that%20do%20not>

Somnath Chatterjee and David Humphry, "Solvency and systemic risk of European life insurers"

Bank of England, Working paper n° 1168

29/01/2026 14:59:00



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Abstract: The paper presents two risk-based capital frameworks for systemically important European life insurers by drawing a distinction between solvency risk and systemic risk. Solvency risk arises when the value of a life insurer's assets falls below some threshold proportion of its liabilities. To assess solvency risk we implement the Merton-Vasicek portfolio credit risk model and determine capital adequacy of life insurers that correspond to a value-at-risk measure. We measure systemic risk as the expected capital shortfall of an insurer conditional on the overall European life insurance sector being in distress. Our results show that European life insurers have been growing in systemic risk exposure since 2007 and suggest that regulatory capital requirements should account for this. We also find evidence of interconnectedness between systemically important banks and insurance companies, as measured by the transmission of volatility shocks, which increased during periods of financial stress.

<https://www.bankofengland.co.uk/working-paper/2026/solvency-and-systemic-risk-of-european-life-insurers#:~:text=The%20paper%20presents%20two%20risk,been%20growing%20in%20systemic%20risk>

Jonas Heim and Thomas Nitschka, "On the carbon premium in Swiss stock returns"
SWISS NATIONAL BANK, Working paper n° 13/2025

29/01/2026 14:55:08

Abstract: This paper evaluates whether CO₂ emission levels or emission intensities are firm characteristics that drive Swiss firms' stock returns. We show that standard characteristics such as size and the book-to-market equity ratio are more important determinants of firm-level stock returns than are CO₂ levels (intensities). Brown firms (high CO₂ levels or intensities) tend to be large and exhibit low book-to-market equity ratios, whereas their green counterparts are small and exhibit high book-to-market equity ratios. This explains why return differences between brown and green firms are statistically indistinguishable from zero after controlling for exposures to standard risk factors.

https://www.snb.ch/en/publications/research/working-papers/2025/working_paper_2025_13

Marc Blatter and Joséphine Molleyres, "LCR optimization by banks: Evidence from changes in liquidity requirements in Switzerland"

SWISS NATIONAL BANK, Working paper n° 18/2025

29/01/2026 14:52:29

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BANCO DE ESPAÑA
Eurosistema

Abstract: In this paper, we analyze the effects of the introduction of the liquidity coverage ratio (LCR) on banks' funding behavior. We use changes in regulatory liquidity requirements in Switzerland as a natural experiment. Using data for the period before and after the LCR was applied for all banks in Switzerland, our dataset allows us to analyze how the introduction of the LCR affects the banks' funding structure. Our results show that the LCR had its intended effects as banks reduced their exposure to short-term funding. At the same time, we find evidence for optimization of the LCR by banks. Banks optimize their LCR by extending the maturities of liabilities slightly over 30 days, which leads to an improvement in the LCR by 10 percentage points on average. Our results imply that it makes sense to complement the 30-day LCR with longer-term liquidity requirements to reduce cliff risks.

https://www.snb.ch/en/publications/research/working-papers/2025/working_paper_2025_18

Pablo Garcia, Pascal Jacquinot,
Črt Lenarčič, Kostas
Mavromatis, Niki Papadopoulou
and Edgar Silgado-Gómez,
“GREEN TRANSITION IN THE
EURO AREA: DOMESTIC AND
GLOBAL FACTORS”

BANCO DE ESPAÑA, Working paper n° 2537

29/01/2026 14:48:49

Abstract: We explore the macroeconomic effects of climate policies promoting the green energy transition in the euro area using an extended version of the Euro Area and Global Economy (EAGLE) model. The model differentiates between brown and green energy sectors and incorporates carbon taxes and brown capital income taxes. We analyze scenarios with unilateral and globally coordinated carbon taxes, with and without revenue redistribution to green firms and financially constrained households. Carbon taxes act as negative supply shocks, raising inflation and lowering output, while subsidies to green energy firms reduce green energy prices, supporting the transition and easing recessions. Redistribution to constrained households boosts consumption but does not accelerate the green transition. Taxes on brown capital income lower both inflation and output by acting as demand shocks. Recycling revenue from this tax to subsidize green capital investment strengthens the shift to green energy and moderates economic contractions. Global coordination of carbon taxes delivers only modest additional macroeconomic effects compared with unilateral action, as substitution in energy use outweighs international spillovers. Sensitivity analyses confirm the robustness of these findings under alternative assumptions about price rigidity, substitution elasticities and monetary policy.

<https://www.bde.es/wbe/en/publicaciones/analisis-economico-investigacion/documentos-trabajo/green-transition-in-the-euro-area-domestic-and-global-factors.html>

Helmut Elsinger, Helmut Stix
and Martin Summer, “Consumer
preferences for a digital euro:
insights from a discrete choice
experiment in Austria”

Bank for International Settlements, Working
paper n° 1302

29/01/2026 14:28:05



Abstract: This paper examines consumers' intended adoption of a digital euro in Austria using a discrete choice experiment. We estimate a mixed logit model to quantify the role of key attributes such as privacy, offline functionality, security against financial loss, monetary incentives, and payment form factors. Our findings indicate that security and financial incentives are the strongest drivers of adoption, while respondents do not report strong preferences among the privacy options that are laid out in the experiment. We identify significant heterogeneity in adoption likelihood across socio-demographic groups. Simulations suggest that under realistic design assumptions, approximately 45% of individuals are found to have an intention to adopt a digital euro.

<https://www.bis.org/publ/work1302.htm>

Kenechukwu Anadu, Patrick McCabe, JP Perez-Sangimino, and Nathan Swem, "A Framework for Understanding the Vulnerabilities of New Money-Like Products"

*Federal Reserve Board, Washington, D.C.,
Working paper n° 2026-002*

29/01/2026 11:15:37



Abstract: New money-like products, such as tokenized money market funds (MMFs), money market exchange-traded funds (MMETFs), and stablecoins, could be transformative for finance. These products may offer significant benefits, but like other money-like assets, they also have certain vulnerabilities. We introduce a framework to analyze the vulnerabilities of new products by comparing their features to those that contribute to vulnerabilities in MMFs. Specifically, we examine the extent to which each product engages in liquidity transformation, is subject to threshold effects, serves as a money-like asset, poses contagion risks, and has reactive investors. Our framework is useful for assessing the potential effects of novel cash-like products on the overall resilience of the financial system and how such an assessment may change as these products' uses evolve.

<https://www.federalreserve.gov/econres/feds/a-framework-for-understanding-the-vulnerabilities-of-new-money-like-products.htm>

News

- [Climate Risk Seminar](#) (QFinLab)

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