

Press Release

By the Communications Directorate

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Banca d'Italia's intervention power concerning financial instruments: regular assessment of risks to financial stability

Taking into account the provisions of Regulation (EU) No 600/2014 (MiFIR), Article 7-bis of the Italian Consolidated Law on Finance (TUF) empowers Banca d'Italia to limit the marketing, distribution or sale of financial instruments (product intervention power) in order to preserve the stability of the national financial system.

In order to exercise its intervention power, Banca d'Italia regularly carries out analyses and assessments of the risks to financial stability that may arise from financial instruments circulating in Italy, based on a specific analytical and methodological framework that is periodically updated and refined.

This press release provides some information on the most recent analyses and assessments. More detailed information on Banca d'Italia's intervention power and its activities in this area can be found on the Bank's website: '[Banca d'Italia's 'intervention power' concerning financial instruments, structured deposits and related financial activities/practices](#)'.

Summary assessments

There was an increase in the volume of complex securities and derivatives outstanding in Italy in 2025,¹ but there was no corresponding increase in risks to financial stability, which remain low. Further information on the analyses conducted, with reference to data as at 31 December 2025, is provided below.²

Complex securities. At the end of 2025, debt securities outstanding³ in Italy amounted to €3,189 billion, of which 15 per cent (€480 billion; Figure 1) consisted of instruments that can be considered

¹ For the list and definitions of all the individual financial instruments analysed as part of the intervention power, see the Bank's website: '[Glossary of the types of financial instruments analysed by Banca d'Italia within the scope of its intervention power](#)'.

² Any discrepancies between the data published in the various editions of this press release are attributable to revisions of the data, including those made retroactively.

³ Securities in circulation in Italy include debt securities deposited in Italy and those issued by resident entities.

complex.⁴ Among these, the most significant were securitizations (accounting for 46 per cent of complex securities), certificates (19 per cent), structured bonds (9 per cent), and traditional subordinated bonds and AT1 subordinated bonds (19 and 7 per cent respectively; Figure 2).

Complex securities held by households. At the end of 2025, Italian households held €78 billion in complex debt securities (equal to 15 per cent of the total debt securities that they hold), an increase of €3.6 billion compared with the previous year. Certificates were the most widespread type of complex securities in households' portfolios; the growth of €3.4 billion recorded in 2025 (to €59 billion) is in line with that observed in 2024 and lower than that recorded in earlier years. The extensive use of certificates with capital protection reduces risk exposure; the diffusion of leverage certificates remains marginal.

Complex derivatives. The notional value of complex derivatives increased significantly in 2025, reaching €880 billion (+28 per cent). The increase was mainly driven by the expansion of credit default swaps (to €517 billion, +42 per cent; Figure 3) and of swaptions (to €243 billion, +14 per cent). The main counterparties in these markets are Italian banks, whose exposures are balanced between long and short positions, and major international dealers; these instruments are not present in households' portfolios.

Complex securities. At the end of 2024, debt securities with a face value of €2,945 billion were in circulation in Italy,⁵ 15 per cent (€440 billion)⁶ of which were instruments that can be considered complex.⁷ Among these instruments, those potentially posing the greatest risk to financial stability were certificates (accounting for 19 per cent of complex securities and amounting to €85 billion) and structured bonds (8 per cent and €33 billion; Figure 1 and Table 1).

At the end of 2024, the amount of complex debt securities held directly by Italian households was €75 billion, up €5 billion on the previous year and equal to 16 per cent of total debt securities held (€474 billion). The increase is largely due to the growth in certificates, which rose by about €3 billion to €56 billion (Table 1), and was concentrated in the first half of the year, with volumes remaining stable in the second half.

Certificates. Certificates in circulation in Italy also increased in 2024 (by €10 billion) and consist primarily of those offering full or partial capital protection (57 per cent of the total); the remainder is made up of riskier securities. Households hold two thirds of the certificates (67 per cent with capital protection), equal to 12 per cent of the total value of the debt securities held. Certificates can improve

⁴ The list of complex securities is set out in '[Banca d'Italia's intervention power concerning financial instruments, structured deposits and related financial activities/practices: legal, analytical and methodological framework](#)'.

⁵ Securities in circulation in Italy include debt securities deposited in Italy and those issued by resident entities.

⁶ Starting with this edition of the press release, complex securities also include securitization transactions in which the originator bank acquires all the securities issued by a special purpose vehicle (i.e. self-securitization).

⁷ The list of complex securities is set out in '[Banca d'Italia's intervention power concerning financial instruments, structure deposits and related financial activities/practices: legal, analytical and methodological framework](#)'.

the risk-return profile of diversified portfolios, thanks in part to favourable tax treatment;⁸ however, they are complex instruments whose value is not easy to assess and may expose holders to heavy losses in adverse scenarios.

Structured bonds. At the end of 2024 the volume of structured bonds, which are financially but not fiscally⁹ equivalent to protected capital certificates, amounted to €33 billion. Over the last several years, while the amount of certificates has risen, that of structured bonds has gradually declined from a peak of €181 billion in 2011 (Figure 2). One fourth of these instruments (€8 billion) is held by households (compared with a high of €115 billion in 2011).

Complex derivatives. Around 5 per cent of derivatives with Italian counterparties can be considered complex. Of these, swaptions and credit default swaps (CDSs) dominate (Figure 3). At the end of 2024, the total notional value of complex derivatives was €684 billion, up from the €550 billion reported at the end of 2023. In the second half of 2024, there was a significant increase in the notional amount of CDSs, non-plain vanilla options and, to a lesser extent, swaptions. The simultaneous decrease in the notional value of derivatives classified in the residual category ‘other’ suggests that at least part of the increase may be due to a more accurate classification of positions than in the past. The main counterparties in these markets are Italian banks, whose exposures are balanced between long and short positions, and the main international dealers; these instruments do not feature in households’ portfolios.

⁸ For more information, see ‘[The Global Economy: Navigating Uncertainty and Change](#)’, speech by the Governor of Banca d’Italia, Fabio Panetta, at the 31st ASSIOM FOREX Congress, Turin, 15 February 2025.

⁹ Unlike the gains on certificates, which are classified as ‘other financial income’, the gains on structured bonds fall under the category of ‘equity income’ and therefore cannot be used to offset any losses realized by the investor.

Figure 1

Amounts of complex securities by type of instrument
(billions of euros)

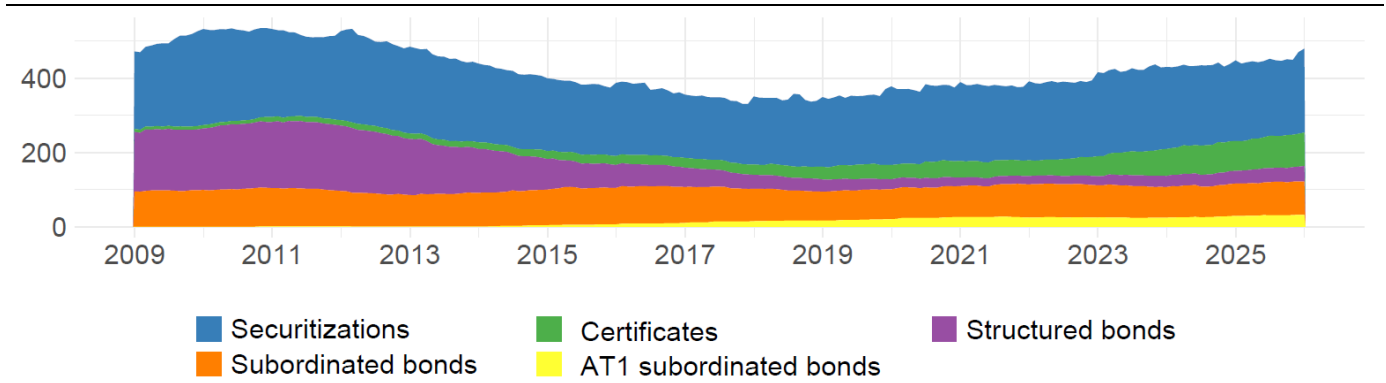
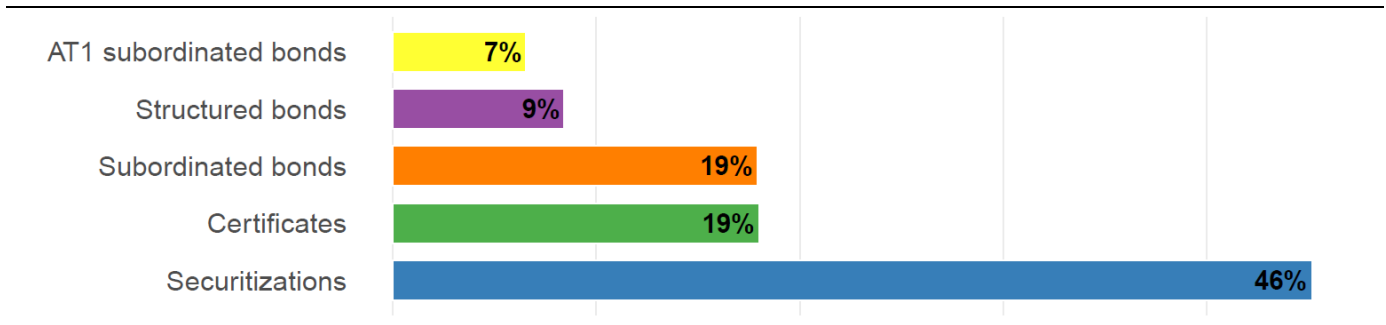


Figure 2

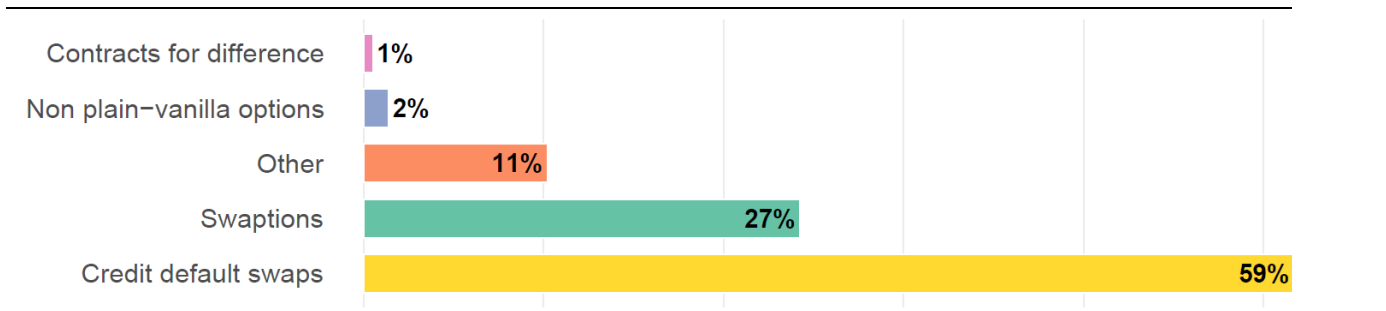
Breakdown of complex securities by type of instrument (1)
(data as at 31 December 2024; per cent)



(1) Shares are calculated on the basis of the value of the instruments.

Figure 3

Breakdown of complex derivatives by type of instrument (1)
(data as at 31 December 2025; per cent)



(1) Shares are calculated on the basis of the notional value of the instruments.

For definitions of individual financial instruments, see Banca d'Italia's website: '[Glossary of the types of financial instruments analysed by Banca d'Italia within the scope of its intervention power](#)'.

Methodological Appendix¹⁰

Banca d'Italia has developed a methodological framework to identify and assess risk areas that may concern financial instruments marketed, distributed or sold in Italy or from Italy. The analysis on debt securities uses the statistical and supervisory reporting that banks and other supervised intermediaries send to Banca d'Italia. Information from the securities register and from reports under Article 129 of the Consolidated Law on Banking (TUB) and the ECB's SHSS database are also used. The methodological framework is periodically updated and refined.

Derivatives are analysed using data from the EMIR database. In the supervisory reporting templates, the information is usually reported in an aggregate form, with reference not to the individual contract but to the broader type of instrument, the characteristics of the underlying instrument and the direction of the position taken. The data contained in the supervisory reports relate to instruments held by banks and are reported quarterly. The EMIR database instead contains daily information on individual trades carried out by financial and non-financial counterparties (Italian entities or those with an Italian parent company). Use of the database also means that it is possible to classify complex derivatives more precisely and eliminate any overlap in those cases in which the same contract is reported by more than one party. The scope of the analysis is now broader in terms of the type of derivative, the nature and the residence of the counterparties than it was when supervisory reports were used.

The methodology involves splitting financial instruments into 'complex' and 'non-complex' categories.¹¹ Each financial instrument is assigned a complexity indicator according to the type of instrument and the nature of any underlying assets. Thereafter, a two-stage analysis of risks is performed on complex securities.

In the first step, a complex financial instrument is considered potentially risky if the outstanding amounts exceed the 90th percentile of the historical distribution of its amount observed over the last five years.

The financial instruments identified in the first step as being potentially risky are further analysed at a second stage, in which a risk assessment is carried out through the analysis of a variety of indicators (including the complexity, riskiness characteristics of the instrument, and characteristics of the reference market) using methodologies selected based on the characteristics of the instruments. At

¹⁰ For more information on the methodologies used by Banca d'Italia for analyses relating to its intervention power, see the Bank's website: '[Banca d'Italia's 'intervention power' concerning financial instruments, structured deposits and related financial activities/practices](#)'.

¹¹ For securities, the following are considered complex: securitizations (including self-securitizations), certificates (including credit linked notes and covered warrants), structured bonds, subordinated bonds, AT1 subordinated bonds. The following are considered non-complex, in addition to the residual types: shares, commercial papers, covered bonds, rights, ETFs, investment funds, bonds (others), and Italian and foreign government bonds. Self-securitizations are considered complex securities because they are similar to securitizations. For derivatives, the following are considered complex: contracts for differences (CFDs), credit default swaps (CDSs), other options (non-plain vanilla), spread bets, swaptions, non-plain vanilla options and other derivatives contracts. The following are considered non-complex: forwards, forward rate agreements (FRAs), futures, plain vanilla options and swaps other than CDSs.

this stage, quantitative analyses are supplemented by discretionary assessments, for example of the adequacy of the effects expected from the imposition of prohibitions or limitations with respect to the risks identified.